UNITED
NATIONS

TD

United Nations Conference
on Trade and Development

Distr.
GENERAL

TD/364
6 July 1992

Original: ENGLISH

REPORT OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT ON ITS EIGHTH SESSION

Held at the Convention Centre, Cartagena de Indias, Colombia,
from 8 to 25 February 1992

Note: The present mimeographed version of the report and of certain annexes thereto is circulated for the convenience of Governments and the General Assembly. The definitive version of the report and all its annexes will be printed in volume I of the *Proceedings* of the Conference.

CONTENTS

	Paragraphs	Page
Preface	(i) - (xxv)	vii
PART ONE: ACTION TAKEN BY THE CONFERENCE		3
A. Declaration and final document adopted by the Conference		4
B. Other action by the Conference		61
C. Resolutions adopted by the Conference		63
PART TWO: SUMMARY OF PROCEEDINGS	1 - 975	67
I. General debate (agenda item 7)	1 - 833	67
A. Countries	2 - 651	67
B. United Nations Secretariat	652 - 700	177
C. Specialized agencies, GATT, International Trade Centre UNCTAD/GATT	701 - 737	187
D. Other intergovernmental bodies	738 - 792	194
E. Non-governmental organizations	793 - 826	205
F. Statements made at the 238th plenary meeting, on 24 February 1992, in exercise of the right of reply	827 - 833	211
II. Strengthening national and international action and multilateral cooperation for a healthy, secure and equitable world economy (agenda item 8)	834 - 840	214
A. Report of the Main Committee on agenda item 8	836	214
Action by the Conference	837	214
B. Draft declaration submitted by the President of the Conference	838 - 839	214
Action by the Conference	840	215

CONTENTS (*continued*)

	Paragraphs	Page
III. Special meeting on the least developed countries	841 - 928	216
A. Convening of the special meeting	841 - 842	216
B. Summary of the debate in the special meeting	843 - 925	216
C. Main points of agreement and proposals submitted by Minister Alain Vivien, Chairman of the Meeting	926 - 928	227
IV. Other business (agenda item 9)		229
A. Message addressed to the Summit for the Economic Advancement of Rural Women from the eighth session of the United Nations Conference on Trade and Development		229
B. Action taken by the Conference at its eighth session concerning a draft resolution entitled "Assistance to the Palestinian people"		229
Annex: Assistance to the Palestinian people: draft resolution adopted by the Seventh Ministerial Meeting of the Group of 77 and submitted to the Conference by the Islamic Republic of Iran on behalf of the States members of the Group of 77		230
V. Report of the Main Committee	929	231
VI. Statements made at the 239th (closing) meeting of the eighth session of the Conference	930 - 975	232
PART THREE: ORGANIZATIONAL AND PROCEDURAL MATTERS	1 - 37	249
A. Opening of the Conference (agenda item 1)	1 - 2	249
B. Election of the President (agenda item 2)	3	249
C. Report of the Pre-Conference Meeting of Senior Officials	4	249

CONTENTS (*continued*)

		Paragraphs	Page
D.	Election of Vice-Presidents and the Rapporteur (agenda item 4)	5 - 7	249
E.	Bureau of the Conference	8 - 10	250
F.	Adoption of the agenda (agenda item 6)	11	251
G.	Special meeting on the least developed countries	12 - 13	251
H.	Credentials of representatives to the Conference (agenda item 5)	14 - 16	252
	(a) Appointment of the Credentials Committee	14 - 15	252
	(b) Report of the Credentials Committee	16	252
I.	Establishment of sessional bodies (agenda item 3)	17 - 23	252
J.	Appointment of "Friends of the Rapporteur"	24	253
K.	Membership and attendance	25 - 31	254
L.	Other business (agenda item 9)	32 - 37	255
	(a) Periodic review by the Conference of the lists of States contained in the annex to General Assembly resolution 1995 (XIX)	32	255
	(b) Report of the Trade and Development Board to the Conference	33	255
	(c) Designation of intergovernmental bodies for the purpose of rule 80 of the rules of procedure	34	256
	(d) Review of the calendar of meetings	35	256
M.	Adoption of the report of the Conference to the General Assembly (agenda item 10)	36	256
N.	Closure of the eighth session of the Conference	37	256

CONTENTS (continued)

Page

ANNEXES

Annex

I. Agenda for the eighth session of the United Nations Conference on Trade and Development 261

II. List of representatives and observers who addressed the Conference during the general debate 262

III. Addresses delivered at the inaugural ceremony and other statements made to the Conference 273

A. Addresses delivered at the inaugural ceremony on 8 February 1992 273

1. Statement by Mr. Boutros Boutros-Ghali, Secretary-General of the United Nations 273

2. Inaugural address by Dr. Cesar Gaviria Trujillo, President of the Republic of Colombia 277

B. Statements made at the 221st (opening) plenary meeting, on 8 February 1992 284

1. Opening statement by Mr. B.T.G. Chidzero, Senior Minister of Finance, Economic Planning and Development of Zimbabwe, in his capacity as President of the Conference at its seventh session 284

2. Statement by Mr. Juan Manuel Santos, Minister of Foreign Trade of the Republic of Colombia, upon his election as President of the Conference 288

3. Statement by Mr. K.K.S. Dadzie, Secretary-General of UNCTAD 290

4. Statement by Mr. Abdulhossein Vahaji, Minister of Trade of the Islamic Republic of Iran, in his capacity as President of the Seventh Ministerial Meeting of the Group of 77 292

C. Statement made to the Conference by Mr. K.K.S. Dadzie, Secretary-General of UNCTAD, at the 223rd plenary meeting, on 10 February 1992 295

CONTENTS (continued)

Page

IV. Messages received by the Conference 304

*V. Tehran Final Documents: Final documents adopted by the Seventh Ministerial Meeting of the Group of 77, held in Tehran, Islamic Republic of Iran, from 16 to 23 November 1991 309

*VI. Documents submitted by regional Groups, China and Australia 310

1. "Trade, development and the new international challenges: towards a programme of action for strengthened multilateral cooperation and sustainable development - Elements of a contribution to UNCTAD VIII" - Communication received from the Permanent Mission of Italy on behalf of the States members of Group B (TD/355) 310

2. "Basic considerations on issues on the agenda of UNCTAD VIII" - Position paper submitted by China (TD/357) 310

3. "Nordic contribution to the discussion on the revitalization of UNCTAD" - text circulated to the Trade and Development Board at the first part of its seventeenth special session at the request of Denmark, Finland, Norway and Sweden (TD/B(S-XVII)/CRP.1) 310

4. "Australia's approach to institutional issues and the role of UNCTAD" - text circulated to the Trade and Development Board at the first part of its seventeenth special session at the request of the Permanent Representative of Australia (TD/B(S-XVII)/CRP.3) 310

VII. Report of the Credentials Committee 311

VIII. Checklist of documents 313

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* For reasons of economy and in order to expedite the circulation of the present version of the report, this annex will appear only in the printed _Proceedings_ of the Conference.

PREFACE

(i) In conformity with General Assembly resolutions 1995 (XIX) of 30 December 1964 and 45/261 of 3 May 1991, the eighth session of the United Nations Conference on Trade and Development was held at the Convention Centre, Cartagena de Indias, Colombia, from 8 to 25 February 1992.

(ii) The Trade and Development Board, in the exercise of its functions under General Assembly resolution 1995 (XIX), and in particular paragraph 21 thereof, served as a preparatory Committee for the eighth session of the Conference. The Board began these preparations at the second part of its thirty-sixth session (March 1990) when, in decision 381 (XXXVI), the Board *inter alia* requested the Secretary-General of UNCTAD to continue his consultations with regard to the provisional agenda of the eighth session of the Conference, with a view to finalizing it as soon as possible, and to present it for formal adoption by the Board at the first part of its thirty-seventh session.

(iii) At the first part of the thirty-seventh session (October 1990), the Board approved the substantive item (item 8) of the provisional agenda for the eighth session of the Conference and authorized the Secretary-General of UNCTAD to complete the provisional agenda through the addition of the customary administrative and procedural items. The provisional agenda, appropriately completed, was subsequently circulated in TD/B/INF.181.

(iv) At the same session, the Board further noted the related understanding reached in informal consultations that, in addition to the plenary of the Conference, there would be only one sessional committee and that there would not be more than three simultaneous official meetings.

(v) At the second part of its thirty-seventh session (March 1991) the Board adopted resolution 391 (XXXVII) on the date and venue of UNCTAD VIII.

(vi) The General Assembly, in its resolution 45/261, welcomed with deep appreciation the offer made by the Government of Colombia to host the eighth session of the Conference and accordingly decided to convene the eighth session at Cartagena de Indias, Colombia from 8 to 25 February 1992, to be preceded by a two-day Meeting of Senior Officials at Cartagena de Indias on 6 and 7 February 1992.

(vii) At the first part of its thirty-eighth session (September-October 1991), the Board agreed on the desirability of the Secretary-General of UNCTAD's initiating, in the period following the session of the Board, and until the Ministerial Meeting of the Group of 77 in Tehran, Islamic Republic of Iran (16-23 November 1991), an informal, non-binding series of consultations which would exchange views on expectations with regard to UNCTAD VIII, and also on institutional issues.

(viii) At the first part of its seventeenth special session (2-13 December 1991), the Board began work on the preparation of a draft pre-negotiating text on item 8 of the provisional agenda of the Conference. In the light of its deliberations on the position papers of groups and delegations and on the pre-negotiating text prepared by the Secretary-General of UNCTAD, the Board decided to request the Secretary-General of UNCTAD to submit a revised version of his pre-negotiating texts to the Board at the second part of its seventeenth special session.

(ix) At the same session, as is customary for the organization of the Conference, the Board had to select the country that would be seated first in the alphabetical order in Cartagena de Indias. The name of the country drawn by lot was Iraq.

(x) At the second part of its seventeenth session (15-24 January 1992), the Board had before it for its consideration the revised version of the pre-negotiating text submitted by the Secretary-General of UNCTAD (TD/B(S-XVII)/CRP.4 and Add. 1-5).

(xi) Having noted the status of the revised pre-negotiating text as at the close of the second part of its seventeenth special session the Board decided that the texts emanating from its two Working Groups would constitute the basic negotiating text to be transmitted to the Conference. (The texts were subsequently circulated to the Conference in TD/L.320 and Add.1-5).

(xii) As part of the preparations for the Conference, the following informal encounters and seminars were held as from February 1991 on topics that were relevant to the consideration of the substantive item (item 8) on the Conference agenda:

> Informal encounter on national governance: the respective roles of the public and private sectors in promoting sustainable development (Caracas, Venezuela, 13-15 February 1991 (Report: UNCTAD VIII/1)
>
> Informal encounter on international trade and the environment (Oslo, Norway, 28 February-1 March 1991) (Report: UNCTAD VIII/2)
>
> Round table on international commodity policies (Moscow, Russian Federation 20-24 May 1991) (Report: UNCTAD VIII/3)
>
> Seminar on the promotion of cooperation between commodity-producing countries (Abidjan, Côte d'Ivoire, 6-7 June 1991) (Report: UNCTAD VIII/4)
>
> Informal encounter on international governance: trade in a globalizing world economy (Jakarta, Indonesia, 19-20 June 1991) (Report: UNCTAD VIII/5)

UNCTAD consultation with trade union organizations (Geneva, 8 June 1991) (Informal note by the UNCTAD secretariat)

Workshop on UNCTAD in a changing political and economic environment (Santa Fé de Bogotá, Colombia, 24-26 August 1991) (Report: UNCTAD VIII/6)

Encounter on relations between UNCTAD and the enterprise sector (Berlin, Germany, 31 October-1 November 1991) (Report: UNCTAD VIII/7)

The Board discussed the outcome of these meetings in some detail at the first part of its seventeenth special session. (Subsequently, a document entitled "Summary of the informal exchanges of the Trade and Development Board on the outcome of the 'Encounters' organized in preparation for UNCTAD VIII" (TD/B(S-XVII)/Misc.3) was prepared by the UNCTAD secretariat.)

(xiii) As part of the intergovernmental preparations for the eighth session of the Conference, three regional meetings were held at the Ministerial level. The final documents and the dates and venues of these meetings were as follows:

- Ministerial Declaration adopted at the Ministerial Meeting of the Latin American Group of the Group of 77 (Caracas, Venezuela, 26-30 August and 4 September 1991), entitled "Latin America and the Caribbean and UNCTAD VIII".

- "Pyongyang Final Document" (AS/MM/77(VII)/3 and Add.1), adopted at the Seventh Ministerial Meeting of the Asian Group of the Group of 77 (Pyongyang, Democratic People's Republic of Korea, 10-12 September 1991).

- "Lusaka Declaration" (AF/MM/77(VII)/1), adopted at the Seventh Ministerial Meeting of the African Group of the Group of 77 (Lusaka, Zambia, 19-20 September 1991).

(xiv) The results of these three regional meetings were considered at the Seventh Ministerial Meeting of the Group of 77 held in Tehran, Islamic Republic of Iran, from 19 to 23 November 1991. The Seventh Ministerial Meeting adopted the Tehran Final Documents, containing the Tehran Declaration and the Substantive Platform of the Group of 77 for International Cooperation (circulated to the Conference in TD/356).

(xv) In connection with the substantive work of the eighth session, the following contributions from countries or regional groups were also circulated to the Conference: 1/

- "Trade, development and the new international challenges: towards a programme of action for strengthened multilateral cooperation and sustainable development - Elements of a contribution to UNCTAD VIII" - Communication received from the Permanent Mission of Italy on behalf of the States members of Group B (TD/355).

- "Basic considerations on issues on the agenda of UNCTAD VIII" - Position paper submitted by China (TD/357).

- Nordic contribution to the discussion on the revitalization of UNCTAD" - text circulated to the Trade and Development Board at the first part of its seventeenth special session at the request of Denmark, Finland, Norway and Sweden (TD/B(S-XVII)/CRP.1).

- "Australia's approach to institutional issues and the role of UNCTAD" - text circulated to the Trade and Development Board at the first part of its seventeenth special session at the request of the Permanent Representative of Australia (TD/B(S-XVII)/CRP.3).

(xvi) In the course of the eighth session of the Conference, a special meeting on the least developed countries was held on 11 February 1992. This meeting was devoted to the consideration of LDC issues, including (i) Review of progress in implementation of the Programme (Trade and Development Board resolution 390 (XXXVII) of March 1991) and (ii) Implications for the Programme of additions to the list of LDCs (General Assembly resolution 46/206).

(xvii) Pursuant to General Assembly resolution 46/206, in which the Secretary-General of UNCTAD was requested to report to UNCTAD VIII on the resources and other implications of the application of the new criteria for identifying the LDCs on the implementation of the Programme of Action, a report by the Secretary-General of UNCTAD entitled "The Programme of Action for the Least Developed Countries for the 1990s" (TD/359) was circulated to the Conference.

(xviii) Furthermore, a communiqué adopted by the Ministers of least developed countries at their meeting on 10 February 1992 was circulated to the llnference in TD/362.

(xix) The representatives of 126 States members of UNCTAD assembled at the Convention Centre, Cartagena de Indias, from 8 to 25 February 1992 to take part in the eighth session of the Conference.

(xx) In the course of a special inaugural ceremony arranged by the Government of the host country, on 8 February 1992, the Conference was addressed by:

H.E. Mr. Boutros Boutros-Ghali
Secretary-General of the United Nations

H.E. Mr. Cesar Gaviria Trujillo
President of the Republic of Colombia. 2/

(xxi) In the course of the session, messages and good wishes were received from the Heads of State or Government of: China, Cuba, Holy See and Indonesia. 3/

(xxii) At its 239th (closing) plenary meeting, on 25 February 1992, the Conference adopted a declaration entitled "The Spirit of Cartagena" and a final document entitled "A New Partnership for Development: the Cartagena Commitment." 4/

(xxiii) Also at the 239th meeting, the Conference adopted a draft text submitted by the President of the Conference entitled "World Commodity Conference" (TD/L.342). 5/

(xxiv) At the same meeting, the Conference adopted the document entitled "Message from the eighth session of UNCTAD to the United Nations Conference on Environment and Development (UNCED)" (TD/L.341/Rev.1). 6/

(xxv) At the same meeting, the Conference adopted by acclamation resolution 171 (VIII) entitled "Expression of gratitude to the Government and people of the Republic of Colombia". 7/

Notes

1/ For the text of these documents, see annex VI.

2/ The texts of these addresses are reproduced in annex III below.

3/ The texts of the messages are reproduced in annex IV below.

4/ For the text of the Declaration and the Cartagena Commitment, see part one, section A, below.

5/ For the text, see part one, section B.1, below.

6/ For the text of the message, see part one, section B.2, below.

7/ For the resolution, see part one, section C, below.

Part One

ACTION TAKEN BY THE CONFERENCE

Part One

ACTION TAKEN BY THE CONFERENCE

CONTENTS

Page

A. Declaration and final document adopted by the Conference

THE SPIRIT OF CARTAGENA

Declaration adopted by the United Nations Conference on Trade and Development at its eighth session 4

A NEW PARTNERSHIP FOR DEVELOPMENT: THE CARTAGENA COMMITMENT 6

B. Other action by the Conference

1. World commodity conference 61

2. Message from the eighth session of UNCTAD to the United Nations Conference on Environment and Development (UNCED) 61

C. Resolutions adopted by the Conference

170 (VIII) Credentials of representatives to the eighth session of the Conference 63

171 (VIII) Expression of gratitude to the Government and people of the Republic of Colombia 63

A. Declaration and final document adopted by the Conference

THE SPIRIT OF CARTAGENA

Declaration adopted by the United Nations Conference on Trade and Development at its eighth session

The eighth session of the United Nations Conference on Trade and Development met in Cartagena in the midst of profound transformation in the world order. Against the background of political and economic changes, the member States and participants agreed on the existence of an unprecedented opportunity to lay the foundations for policies of cooperation aimed at promoting economic and social progress in all countries of the world.

Conscious also of the increasing interdependence of the community of nations, and bearing in mind that without lasting economic progress there can be neither peace nor security, the States members of UNCTAD agreed that development should become the priority item on the agenda of the international community. In order to confront this challenge, they decided to establish a new partnership for development based on the decisions they have taken by consensus at this Conference.

This partnership commits all member States to engage in a continuous and constructive dialogue inspired by the need to achieve a more efficient and equitable world economy. It is recognized that, for the success of this new partnership, it is important to overcome confrontation and to foster a climate of genuine cooperation and solidarity. It is equally important to strengthen national and international policies and multilateral cooperation to adapt to the new realities.

UNCTAD must play a highly significant role in the new partnership for economic development. To that end, it was agreed to revitalize UNCTAD by reforming its machinery and working methods and by strengthening its capabilities in addressing the economic and development problems of all countries, particularly developing countries. The intergovernmental machinery has been restructured with a view to enabling UNCTAD to address the new realities and better prepare the organization to take up the new challenges that have arisen in the search for an equitable and sustainable global development, which will narrow the gap between rich and poor while at the same time protecting the environment. This strengthened UNCTAD stands ready to contribute to the implementation of the action programme, as appropriate, that may be adopted by the United Nations Conference on Environment and Development in Rio de Janeiro.

Furthermore, the need is reaffirmed to give priority to the problems facing the least developed countries due to the fragility of their economies and their particular vulnerability to external shocks and natural calamities. The fight against poverty is also given a predominant place in the new mandate of UNCTAD.

A new spirit has emerged from this Conference - the Spirit of Cartagena - which should inspire the new economic relations between countries. This new partnership for development is an historic event which makes it possible to face the future with greater hope.

The States participating in this Conference declare their political will and responsibility to ensure that the agreed commitments are translated into reality.

A NEW PARTNERSHIP FOR DEVELOPMENT:
THE CARTAGENA COMMITMENT

		Paragraphs
Part I:	CHALLENGES AND POTENTIALS FOR INTERNATIONAL TRADE AND DEVELOPMENT IN THE 1990s	1 - 26
Part II:	BROAD POLICY ORIENTATIONS	27 - 44
Part III:	UNCTAD IN A CHANGING POLITICAL AND ECONOMIC ENVIRONMENT: INSTITUTIONAL MATTERS	45 - 87
Part IV:	POLICIES AND MEASURES	88 - 227
Part V:	ECONOMIC COOPERATION AMONG DEVELOPING COUNTRIES	228 - 239

Part I

CHALLENGES AND POTENTIALS FOR INTERNATIONAL TRADE AND DEVELOPMENT IN THE 1990s

A. The evolving international political and economic context

1. The international community faces an unprecedented conjunction of challenges and opportunities, responses to which will shape the outcome of efforts to build a healthy, secure and equitable world economy. Prospects have improved for maintaining peace and security, strengthening multilateral cooperation, and progressively improving the human condition. With the ending of the cold war, a marked easing has occurred in international political relations and the scope has widened for the reduction of nuclear and other armaments and of military expenditures throughout the world. The broad tide of economic reform, the democratization processes, and respect for human rights have gathered pace. At the same time, the international political and economic situation remains fluid in many respects. Risks remain for stability, security and development, including those arising from economic, social, humanitarian and ecological problems. These risks and challenges should be addressed urgently by the international community.

2. Several positive conditions have come into being for revitalizing the development process and building a new international partnership to that end. Structural and other changes in the global economy have brought within reach the means of overcoming many of the obstacles to this process. Economic performance in a number of developing countries has shown considerable dynamism. These countries have enjoyed vigorous growth and some of them have made considerable progress in diversifying their economies and strengthening their position as major exporters of manufactures. Yet stagnation and poverty persist in many developing countries due to difficulties in the selection and implementation of domestic policies, as well as adverse developments in international trade and finance. In many developing countries, particularly the least developed, many of which are in Africa, these problems, accentuated by structural weaknesses, have reached crisis proportions.

3. Persistent poverty, which is particularly acute in many developing countries, is unacceptable. Arresting and reversing economic decline therefore deserve highest priority. This calls for national and international measures to alleviate poverty, with special attention to the most affected countries, in particular developing countries, and to promote social development. Success in reducing and eventually eliminating poverty and providing an adequate distribution of social benefits in developing countries should contribute to the expansion of world trade and to sustainable development.

4. Vigorous efforts have been under way in much of the developing world to adapt and improve the responsiveness of their economies to changing circumstances, to pursue market-oriented reforms to enhance efficiency in the use of resources, as well as to promote also the processes of social development and democratization. Initially, these efforts concentrated on stabilizing the macro-economic situation through measures to reduce fiscal deficits and to reduce high and accelerating rates of inflation with a view to

achieving a rapid improvement in external accounts and laying a basis for sustained economic growth in the medium term. Subsequently, many countries moved on to implement structural or sectoral reforms of varying degrees of ambition, notably in areas of trade policy, investment policy, privatization and, where applicable, deregulation, all with a view to improving efficiency, competitiveness and the climate for productive investment and enterprise. These reforms were often accompanied by steps to improve the transparency of political processes and to encourage wider participation in them, with a view to bolstering confidence in and popular acceptance of economic reforms.

5. These reforms have not been easy: many have involved difficult choices among public-sector spending priorities, as demands for social expenditures have competed with needs for new and rejuvenated physical infrastructures, as well as the need to finance debt service. Often economic assumptions underlying reforms were undermined by interest rate increases or deteriorating terms of trade. But, at the beginning of the 1990s, it is becoming increasingly evident that a number of countries implementing those reforms are beginning to see the benefits. This is most evident in a number of Latin American countries, but the trend is not limited exclusively to them, and their success should serve as encouragement for others to pursue their own reforms further.

6. In countries of Central and Eastern Europe, dramatic developments, involving the introduction of democratic forms of government in place of existing regimes, were accompanied by far-reaching institutional changes and rapid moves to market-based economic systems, as well as towards closer integration into the world economy. Countries in the region are addressing the challenges of complex economic and institutional reforms in a situation where traditional trade patterns have collapsed. It is also to be recognized that these countries are facing unprecedented challenges in transforming their economies, in some cases in the midst of considerable social and political tensions. Appreciating the magnitude of the problem and the significant efforts being made by these countries, the international community has responded with considerable support.

7. At the same time, the realignments that have occurred in East-West relations have wide-ranging consequences for overall relations between developed and developing countries and raise questions in developing countries about the place of their vital interests, especially of development, in the emerging configuration of political and economic power. The assurances given by OECD countries as to the priority they would continue to attach to development cooperation with developing countries are to be welcomed. Despite these assurances, concern nevertheless persists among some developing countries about the implications for trade, aid, investment and technology flows to the developing countries of the strong support being provided by the OECD countries for the reform processes in Central and Eastern Europe.

8. The success of national and international efforts to strengthen the positive aspect of economic and social change will contribute significantly to international trade and development, as well as to peace and security, and should in the medium and long term contribute to greater dynamism in world trade and open up new trading opportunities for all countries.

9. At the root of many of the recent structural changes in the world economy are technological innovation, including advances in micro-electronics, new materials, biotechnology and, prospectively, renewable energy. Knowledge-intensive processes have become increasingly important, as has the services sector in many economies. These technological advances are modifying the distribution of economic activities in the world and generating important consequences for the competitive position of countries in international trade. In particular, they are eroding the traditional comparative advantage of developing countries in several areas, and are adversely affecting the demand for a number of products of export interest to those countries. Nevertheless, these technological innovations provide new opportunities and could, if adapted, where necessary, to local conditions and accompanied by improved access to and adequate diffusion of technology, help to solve many of the present pressing problems of developing countries, including the brain drain, and accelerate diversification and development of developing economies, leading to a revitalization of the global economy.

10. Technological change has also helped to speed up the internationalization of several markets and fostered the globalization of investment, production and marketing. Over the past several years, prompted by increasing financial deregulation, the development of electronic trading has facilitated the emergence of a huge global market for funds and financial instruments. This evolution has significant implications for the deployment of international investment and for the behaviour of exchange rates and interest rates, and hence for the relative competitiveness of economies. More recently, advances in information technologies, as well as in communications and transportation, have intensified the globalization process: corporate decisions on sourcing, production and marketing are increasingly taken within a global frame of reference, and strategic alliances have developed among transnational corporations, relying heavily on worldwide information networks. One result is that a growing share of international trade now takes place within such corporations and related firms. Also, the trend to larger and interlinked firms poses new challenges for competition policy authorities. In addition to their extensive distribution channels and information networks, these entities have also come to play an important role in affecting the global location of economic activities and access to new technologies.

11. At the same time, much economic dynamism and job creation in both developed and developing countries derives from the activities of small and medium-size enterprises. Those enterprises are contributing an increasing share of technological innovations and are participating more actively in international trade. Developing countries in particular have everything to gain from small and medium-size enterprises.

12. In recent years the interactions between trade, investment, technology and services, and their financial underpinning, have grown denser. Key sectors covering trade flows in goods and services and developments in the areas of trade, money, finance, debt and commodities, are now more closely integrated. Linkages among economies, as well as between major issues of economic policy, have tightened, and the interactions between the domestic economic policies of Governments, internationally accepted rules and disciplines and the operation of market processes have become stronger and more diversified.

13. Interdependence could realize its full potential as a vehicle for the transmission of positive impulses, cumulating benefits for all in a positive sum game, if policies were formulated in a mutually reinforcing fashion to favour positive adjustment, growth and development in the world economy. The significance of this potential has recently acquired a new edge from the recognition that worldwide sustainable development requires both national and international action to conserve the earth's resources in a manner conducive to development and to eradicate poverty as one of the major sources of degradation in the developing world. However, interdependence also means constraints on the scope of autonomous policy-making within national economies. Economies, especially those of developing countries, which are making efforts to integrate themselves in the world economy and are open enough to come under considerable influence from policies pursued abroad, but do not have sufficient weight for their own policies to have a significant impact on others, are particularly vulnerable to external shocks. On the other hand, well diversified economies, having greater flexibility to adjust, are in a better position to absorb external shocks.

14. The past few years have also seen a resurgence of interest in integration arrangements centering on common markets, customs unions or free trade areas. Groupings aimed at enhancing economic cooperation among developing countries are being strengthened. These efforts should be generally respected by the international community. Large economic spaces involving major trading partners have emerged, which could foster competitiveness, contribute to trade liberalization and help impart new dynamism to international trade. Through their growth effects, these economic spaces could lead to an expansion of market opportunities for other countries, including developing countries. Thus these arrangements are to be welcomed, keeping in mind that they must respect accepted international rules with regard to their impact on non-participating countries and strengthen the multilateral trading system.

15. Demographic changes, in particular those in the age structure of populations, and poverty-related population pressures have become increasingly critical issues for the sustainability of development. They are creating serious problems of savings mobilization and resource allocation and have increased the pressures on employment creation, education and training, and social services in many developing countries. In addition, international migration has also become a matter of growing concern in the countries involved, inter alia because of the so-called "brain drain". In the long run, the solution must lie in sustainable worldwide development which will reduce the motivation for large-scale international migration.

16. Faced with the present international political and economic environment, States members of UNCTAD, recognizing that economic prosperity and success of reform policies in the developing countries and in the countries undergoing the process of transition to market economies are as essential for a peaceful and secure world as the sound and sustained expansion of developed economies, rededicate themselves to continuing and expanding global assistance and cooperation efforts, according to each one's economic and financial capacity, over and above the geopolitical divisions of the past.

B. The growing convergence on development issues and priorities and a new partnership for development

17. As noted in the declaration of the Security Council of 31 January 1992, the world now has the best chance of achieving international peace and security since the foundation of the United Nations. States members of UNCTAD recognize "that peace and prosperity are indivisible and that lasting peace and stability require effective international cooperation for the eradication of poverty and the promotion of a better life for all in larger freedom". UNCTAD members recommit themselves to addressing urgently the problems of economic and social development, requiring the collective response of the international community.

18. The most important development challenges for the 1990s are the elimination of poverty and the acceleration of economic growth and social development in the developing countries on a sustainable long-term basis. Addressing these challenges effectively will provide a solid foundation for lasting international peace and security. It calls for effective national policies to achieve sustained and accelerated non-inflationary growth and development, firmly supported by international cooperation aimed at improving the external economic environment, with each country contributing to this objective taking into account its capacities and weight in the world economy. It also calls for a firm and tangible commitment to multilateralism, involving a strengthened development dialogue and cooperation for development among countries, rich and poor, based upon the principle of sovereign equality and the recognition of mutual benefits, common interest and shared responsibilities.

19. Over the past few years the imperative of multilateralism has been intensified by, among other developments, the rise in the level of ecological concern, the ascendancy of new technologies, changing perceptions of domestic economic management and of international economic policy, and political and economic transformations in many countries. Transboundary problems such as environmental degradation, fast-spreading epidemics, the consumption and trafficking of illicit drugs, terrorism, migratory movements, and the disposal of hazardous waste reinforce this imperative. In addition to the urgent development needs of developing countries, the need to facilitate the success of the transition of countries in Central and Eastern Europe to market-based systems, to integrate them into the world economy, and thus to generate positive impulses to world trade and development has also added a new dimension to the requirement of strengthened multilateral cooperation.

20. Member States of the United Nations have reaffirmed their commitment to pursuing international cooperation in response to the challenge of growth and development. This reaffirmation was reflected in various texts recently adopted by the General Assembly and the Trade and Development Board, including the Declarations adopted respectively on the occasion of the twenty-fifth anniversary of UNCTAD and at the eighteenth special session of the General Assembly, as well as the International Development Strategy for the 1990s. The Programme of Action for the 1990s adopted by the Second United Nations Conference on the Least Developed Countries, and also the United Nations New Agenda for the Development of Africa in the 1990s, which was approved recently by the United Nations General Assembly following its

final review of UNPAAERD, as well as Programme 45: the United Nations System-wide Plan of Action for Africa, based on the concept of strengthened partnership between those countries and the developed countries, are illustrations of this commitment.

21. In addition, the global policy dialogue has moved progressively towards more generally shared perceptions of development problems and economic management issues which are important ingredients for the evolution of a broader consensus to underpin international economic cooperation for development in the 1990s. Development, for which individual countries retain the primary responsibility, is increasingly seen as a people-centred and equitable process, the ultimate goal of which must be the improvement of the human condition. Views have also converged on the importance, for development, of democratic systems based on popular consent and accountability, and on the stimulus that the observance of human rights can give to creativity, innovation and initiative, making all human rights - civil, political, economic, social and cultural - not only a moral imperative, but also an important factor for development.

22. Countries also accept that the development process requires effective supportive frameworks of broad economic policy, both national and international. It is increasingly recognized that the use of market signals and the fostering of entrepreneurial initiatives improve efficiency, competitiveness and the contribution of public and private sectors, while governmental actions may be necessary to complement the operation of markets or to correct market deficiencies. Furthermore, it is generally recognized that, while no single model of domestic economic management can be applied to all countries, there is no substitute for sustained national policies directed at liberating and mobilizing latent energies for development and promoting efficiency in the allocation and use of resources; it is accepted at the same time that a facilitating international economic environment is vital to the success of developmental efforts.

23. Furthermore, a consensus has developed on a number of priority aspects of development, including the eradication of poverty and hunger, human resources and institutional development, improved access to technology and the strengthening of technological capacities, the halting and reversing of protectionism, the adoption of liberal investment regimes and other economic policies aimed at the mobilization of domestic and external resources, improved population policies, and the promotion of ecologically sound, sustainable and economically viable development. In particular, the recent sharp rise in the level of public concern for the security of the planet's ecological base has sharpened international awareness that, in the interest of present and future generations, natural resources must be wisely managed and that production and consumption patterns must evolve in ways consistent with the protection of the environment. Countries accordingly agree that major efforts by all countries are necessary to evolve approaches to growth which would at the same time substantially alleviate poverty and promote ecologically sound and sustainable development.

24. The relaxation of international tensions, including the easing of global strains, provides an incentive as well as opportunities for all countries to reduce military expenditures, as much as is compatible with legitimate

security needs, and to divert resources from expenditures on armaments towards socially productive uses and generation of additional development finance. National initiatives in this regard could produce cumulative effects by encouraging other countries to follow suit. The conversion of military capacities and technologies to civilian uses would also provide opportunities to adjust production structures to development priority needs and facilitate new trade, technological and financial flows.

25. Growing global challenges require countries at all stages of development to promote a new partnership for development based on the recognition of sovereign equality, mutual interests and shared responsibilities. While developing countries reaffirm their primary responsibility for their own economic and social development in accordance with their national plans and priorities, as well as political and cultural diversities, developed countries and others in a position to do so will give adequate support to their efforts. Developing countries equally recognize the importance of domestic policies as a foundation for economic success and in that context reaffirm their determination to persevere with efforts they have been making to carry out structural adjustments and economic reforms, often at considerable social and political cost. Early completion of the transformation of the economies of the countries of Central and Eastern Europe into market-based ones would strengthen the emerging new partnership for development. Developed countries, on their part, have a major responsibility in the context of growing interdependence to create and sustain a global economic environment favourable to accelerated and sustainable development. There is a need for developed countries to mobilize and generate their national savings so as to contribute to the level of investible resources necessary to put the global economy on a path of sustainable growth and development. Developed countries will continue and enhance coordination of macro-economic policies and positive structural adjustment with a view to strengthening an open, non-discriminatory and multilateral trading system. In this context, an early, successful and balanced outcome of the Uruguay Round is of crucial importance to stimulate expansion in international trade, as well as growth in the world economy.

26. The ultimate goal of UNCTAD members is to achieve steady rates of sustained growth in all countries and accelerate the development of developing countries, so that all peoples can enjoy economic and social well-being. The way to bring this about is through concerted efforts for development. By working together through the new international partnership, the global community should aim to erase the scourge of poverty and deprivation, provide international support for national reform programmes, encourage efficient use of precious global resources, and address economic and social problems through coherent and mutually reinforcing policies. Members pledge themselves to strengthen UNCTAD as a forum where all nations participate fully and equally, and with mutual respect, and join actively in cooperative work to build a peaceful, equitable and prosperous world.

Part II

BROAD POLICY ORIENTATIONS

A. Good management at the national and international levels

27. There is a growing recognition of the importance of the market and the private sector for the efficient functioning of economies at all stages of development. The need to combine the two elements is widely acknowledged: realizing the great potential of the private sector for improvements in economic performance requires concomitant policies to increase market competition. At the same time, the effective functioning of markets must go hand-in-hand with conducive government policies together with the provision of personal freedom and security as the basis for widespread participation of the population in economic and political processes. Good management, which fosters the association of effective, efficient, honest, equitable and accountable public administration with individual rights and opportunities, is an essential element for sustainable, broadly based development and sound economic performance at all development levels. In this context private as well as public enterprises should also be subject to similar standards of accountability. All countries should increase their efforts to eradicate mismanagement of public and private affairs, including corruption, taking into account the factors responsible for, and agents involved in, this phenomenon. Impartial operation of the courts of law, supported by an independent judiciary, is essential in this regard, as it is also for resolving disputes and settling conflicts.

28. Good management has several dimensions. It encompasses governmental action to establish appropriate frameworks and rules of the game for the effective and proper functioning of markets and a healthy climate for economic activity. It entails the provision of the necessary physical and social infrastructure, the pursuit of sound macroeconomic policies, the creation of a conducive policy environment, and the development of human resources required to support economic activity and policies that respect efficiency in the use and allocation of resources. It requires clear legal and regulatory frameworks, as well as transparent processes for rule-setting and decision-making, and efficient institutions for the sound management of resources. Government policies should furthermore stimulate the development of entrepreneurship and growth in productivity, help to expand employment opportunities, and promote or undertake, as necessary, functions which cannot be adequately initiated or performed by the private sector.

29. The decentralization of economic activity calls for strengthened systems of dispute settlement and conflict resolution. Governmental action may also be essential to complement the operation of markets or to correct market deficiencies. Economic and regulatory instruments are necessary in the interest of sustainable development when markets left to themselves are unable to deal with the phenomenon of externalities and public goods or better to integrate environmental costs into economic activities. In the interest of social and political cohesion, government policies would need to address questions of income distribution, to provide for economic and social safety nets and to assist disadvantaged groups to gain access to market opportunities. Public intervention, on a selective basis, could also be required to foster

competition, including where concentrations of market power create excessive rents, to ensure some initial protection for infant industry or to promote employment.

30. The desirable extent and nature of direct government involvement in economic activity, as well as the balance between the public and private enterprise sectors, depend on the specificities of country situations. Beyond far-reaching reform of the public enterprise sector, privatization and the liberalization of entry into activities previously restricted to public enterprises are important options being pursued in many countries. Key considerations must include relative efficiency, working with and through the market, and increased competition.

31. Developing countries need to persist with or step up their efforts, in accordance with their national plans and priorities, to modernize their economies, make more effective use of their resources, keep control over inflationary tendencies, promote domestic savings, achieve favourable conditions for productive domestic and foreign investment and increase their international competitiveness in order to improve the standards of living of their peoples. They could also benefit from the sharing of experiences regarding their structural adjustment policies. The benefits of these reform efforts will be more immediate in a dynamic global economy with sound international economic relations. Likewise, development will be enhanced through continued efforts towards the reduction of heavy external debt burdens, adequate development finance, lowering of trade barriers and improved terms of trade.

32. Developed countries need to persist with or step up their efforts to undertake appropriate national macroeconomic and structural policies aimed at promoting non-inflationary growth and structural adjustment, and at avoiding undesired exchange-rate fluctuations and financial market disturbances. Given their weight in the international economic system, they also have a special responsibility, among other crucial requirements, to narrow their major external imbalances in a sustainable manner, to reduce their public deficits, to increase the adjustment capacity of their economies, and to accord improved market access to developing-country exports, especially in the context of the Uruguay Round. In general, they should intensify their efforts to invigorate world economic growth and to bring about a stable and predictable international economic environment for accelerated and sustainable development.

33. The international aspects of good management are also essential. World economic stability and growth depend on a higher and sustained level of international cooperation to address issues arising from the interdependence of economies and key areas of economic policy. This endeavour requires, among other things, that the national policies of countries having great weight in the world economy be effectively coordinated. Such coordination is needed to avoid inconsistencies among these policies and to ensure that they advance global as well as national objectives and result in positive outcomes for the international economic environment while fully taking into account the interests of other countries. Enhancing the effectiveness of multilateral surveillance aimed at correcting existing external and fiscal imbalances, promoting non-inflationary sustainable growth, lowering real rates of

interest, and making exchange rates more stable and markets more accessible, now commands general support. International good management requires full respect by all countries for agreed multilateral rules.

34. Stronger international cooperation is also needed to improve the systems, structures and arrangements that have thus far underpinned international economic relations, particularly as regards trade, money and finance. The necessary processes of change in the international economic framework must aim at providing firmer support for the development process, a more conducive setting for the vigorous policy reforms being carried forward in most developing countries and in the countries undergoing the process of transition to market economies, and an improved environment for developed countries to achieve better macroeconomic management and structural adjustment. Good management at the international level calls for greater transparency and effective participation in these processes by all countries.

35. Good management at the international level also requires that the international trading system become increasingly open, transparent, secure and non-discriminatory, halting and reversing protectionism and facilitating in a timely way the integration of all countries into the world economy. The Uruguay Round must contribute to the strengthening of the international trading system, which should take into account the specific interests of developing countries. In the area of commodities, the need is for a viable and more efficient commodity policy for the 1990s, notably through stronger international cooperation, including international consultation and arrangements taking into account market trends, and exchange of information between producers and consumers, which would promote a better and transparent functioning of commodity markets and a greater contribution by the commodity sector to the development process.

36. Ongoing efforts should be continued and urgently implemented in the appropriate forums by all actors concerned to arrive at an effective and durable solution to the remaining debt problems in developing countries. Continued attention should be paid to the importance of financial flows to the developing countries.

37. In addition, existing facilities for helping developing countries to cope with balance-of-payments difficulties should be fully utilized and when appropriate widened. The members of the International Monetary Fund are encouraged to continue considering the question of further allocations of special drawing rights (SDRs). There is a need for stable and predictable exchange and interest rates, which would be consistent with high rates of non-inflationary growth and investment in the world economy. Governments in a position to do so and competent international organizations are invited to study and make recommendations on ways and means of encouraging direct foreign investment in developing countries, taking into account the more favourable approach to direct foreign investment apparent in most developing countries.

B. Sustainable development

38. Sustainable development aims at achieving both efficient economic performance and ecological sustainability, as well as social equity, at all levels of development. It thus offers a comprehensive framework for

addressing the root causes of environmental degradation. It encompasses such key issues as patterns of economic activity, modes of consumption, the persistence of poverty, the quality of development and the necessary adaptation of domestic and international economic management. In endorsing this concept, the international community has recognized that a major challenge for the decades ahead is to meet the needs of the present generation, in particular those of the world's poor, while at the same time safeguarding the capacity of future generations to meet their own needs.

39. Sustainable development places environmental concerns firmly within the context of growth. Conflicts between certain patterns of economic activity and environmental goals can arise in relation to the global environment, as in the case of ozone depletion and the emission of greenhouse gases, in relation to regional environments, as in the case of desertification and transboundary and marine pollution, or in relation to local environments, as with urban pollution and soil degradation. Sustainable development therefore implies changes in the economies of all countries, as well as enhanced international economic cooperation, so as to make economic growth and environmental protection mutually supportive.

40. The Conference recognizes that all countries have a common but differentiated responsibility for the main environmental problems. Consequently they should be committed to adopting national environmental strategies in order to set priorities, to review policies and to monitor progress towards sustainable development. Industrialized countries currently emit the largest quantity of pollutants into the global environment and are the major users of natural resources. At the same time they are best placed to contribute to solutions to environmental problems by implementing relevant policy measures and mobilizing the necessary financial and technological means. Such efforts should promote an evolution in their production and consumption patterns which would help substantially to maintain the carrying capacity of the global ecology. In their search for sustainable development, developing countries are concerned with local environmental problems - including soil erosion, desertification and rapid urbanization. Urgent specific measures have to be taken in this respect, accompanied by a mix of comprehensive policies addressing the complex interrelationship among widespread poverty, population pressures and the environmentally damaging use of natural resources. These countries are, however, also vulnerable to global environmental problems. Their contribution to the solution of these problems is essential. The additional burden involved should be underpinned by appropriate additional international support.

41. International cooperation is thus essential not only for the adoption of a concerted global strategy on environment but also to assist developing countries in implementing plans aimed at sustainable development. Such cooperation should proceed along two main lines: first, aiming at coherence between the various environmental measures and policies implemented by individual countries and, whenever possible, placing them in the framework of broad international or, where appropriate, regional agreements; secondly, seeking to prevent detrimental effects of national, regional or international environmental measures on economic growth and development and, through increasingly open trade, appropriate additional financial resources and

technological cooperation to support the efforts of developing countries to achieve internationally agreed objectives and to resolve their specific environmental problems.

42. The Conference reaffirms the need for UNCTAD's intergovernmental machinery and the secretariat to continue to integrate the concept of sustainable development and its environmental dimension into their respective programmes of work. The orientations outlined in Part IV below relating to the environment and sustainable development should be guided by the following objectives, taking into account the work in other forums: (i) to contribute within its mandate to innovative thinking on the establishment of a framework for coexistence between environmental measures and international trade rules, and thus aiming at preventing the use of environmental measures for protectionist purposes; (ii) to contribute to the exploration of all possibilities of providing developing countries with additional resources for environmental protection and development, notably through the improvement of existing financial mechanisms such as the Global Environment Fund (GEF); (iii) to explore and promote policies aimed at generating, adapting and disseminating environmentally sound technologies; (iv) to foster the sound management of natural resources, taking into account the special conditions and development requirements of developing countries, through enhanced international cooperation, and to complement and support their national policies and efforts, respectively.

43. The Conference agrees that UNCTAD technical cooperation be provided to developing countries for the design and implementation of national policies in the fields presented above, including the preparation of national sustainable action plans, and in their preparations for ongoing or future international environmental deliberations, including those concerning flows of finance and technology, the management of natural resources related to exports, and issues having implications for international competition and trade. For that purpose, UNCTAD should assess and monitor the impact of the results of these deliberations on the growth and development prospects of developing countries.

44. The Conference stresses the importance of the forthcoming United Nations Conference on Environment and Development and affirms the readiness of UNCTAD to participate, within its mandate, in the follow-up process of that Conference.

Part III

UNCTAD IN A CHANGING POLITICAL AND ECONOMIC ENVIRONMENT: INSTITUTIONAL MATTERS

A. Introduction: the need for institutional adaptation

45. The profound changes that the world has witnessed in the last few years and the ensuing new international context have resulted in an increased interest in, and a renewal of the relevance of, the United Nations. There has emerged a new sense of partnership for development among Member States, to which UNCTAD has made a major contribution, based on recognition of sovereign equality, common interests and shared responsibilities and on the growing convergence of policy perspectives among Member States on both appropriate domestic policies for development and the need for international policies to provide a favourable international economic environment. This evolution offers a special opportunity for strengthened international cooperation for development, but it also poses a great challenge to the United Nations system: that of adapting structures and operations to the new realities and of enhancing responsiveness to the diversified interests of all Member States.

46. UNCTAD, as the principal organ of the General Assembly in the field of trade and development, has a crucial role to play in this regard. It provides the most appropriate focal point, within the United Nations proper, for the integrated treatment of development and interrelated issues in key areas including trade, finance, investment, services and technology, in the interests of all countries, particularly those of developing countries.

47. Institutional adaptation and revitalization are urgently needed to enable UNCTAD to seize the new opportunities to foster international cooperation for development. UNCTAD should promote international consensus on principles and strategies for policy action at the national and international levels to enhance the development prospects of Member States, particularly those of developing countries. It should also provide a forum for the exchange of experiences among member States so as to enable them to draw appropriate lessons for the formulation and implementation of policies at the national and international levels and for international economic cooperation.

48. This process of institutional development should contribute to the exercise recently launched by the General Assembly for the restructuring of the economic and social sectors of the United Nations. Account must also be taken of developments concerning the institutional follow-up of the outcome of the Uruguay Round, and of the recent initiative taken by the General Assembly on the strengthening of institutional arrangements in the area of multilateral trade.

B. The functions of UNCTAD

49. UNCTAD's mandate in the field of international trade and related problems of economic development, as laid down in General Assembly resolution 1995 (XIX) and other relevant texts, is sufficiently broad and flexible to allow for the necessary adaptation of UNCTAD's work as regards both substantive content and working methods.

50. In line with this mandate, the functions of UNCTAD comprise policy analysis; intergovernmental deliberation, consensus building and negotiation; monitoring, implementation and follow-up; and technical cooperation. These functions are interrelated and call for constant cross-fertilization between the relevant activities.

51. Substantive work within UNCTAD should consist of a dynamic and progressive sequence involving the initial identification of a relevant set of issues; the carrying out of high-quality analytical work, which should benefit from invited inputs from both governmental and non-governmental experts and actors; and the conduct of intergovernmental consultations, dialogue and interaction aimed at the identification of areas of convergence and, when appropriate, negotiations as described in paragraph 57 below.

52. Careful, rigorous analysis should lie at the foundation of UNCTAD's activities. The analytical work of the secretariat should form the basis for the consideration of issues by intergovernmental bodies within UNCTAD. The function of policy analysis should involve conceptual innovation as well as research. While careful selectivity should be exercised in the light of current resource and expertise constraints, particular attention should be paid to bringing fresh thinking to bear on long-standing problems, and to the identification and treatment of key emerging issues of trade and development, including an early warning perspective, in a rapidly changing world.

53. Analysis should also include a systematic study of national and international policies which affect development and should take account of policies pursued or agreed upon in other institutions, so as to assess their implications for developing countries. The analytical function should cover the examination of the determinants of success in economic development, should facilitate the sharing of experiences in a constructive fashion and should ultimately provide the basis for the formulation of strategies comprising national and international policy measures required for promoting worldwide growth and development.

54. To facilitate concrete and innovative discussion, the secretariat should draw attention to issues requiring closer consideration and should provide concise, independent, even if controversial, analyses. Due account should be taken of the diversity of country situations and experiences. With this in mind, analyses should be more disaggregated, to the extent appropriate.

55. Consensus building is a most important function of UNCTAD, flowing from the identification of issues and the analytical work carried out by the secretariat to clarify the main aspects of such issues and shared perceptions. Sharing experiences, concerns and views forms an integral part of this process of defining common interests and promoting convergence.

56. The outcomes of deliberative processes in the Trade and Development Board and its subsidiary bodies need not take the form of resolutions. Greater use should be made of agreed conclusions, assessments or summings-up by presiding officers, particularly when the issues are new or difficult ones, requiring further exploration and the building of common perceptions.

57. Negotiations are an intergovernmental interaction leading to implementable commitments. They are the culmination, although not automatic, of a sequential process described in paragraph 51 above. They comprise intergovernmental deliberations and interactions leading to conclusions or outcomes in the form, as appropriate, of: agreed statements, conclusions and recommendations comprising broad policy guidelines on economic policy issues for the international community; agreed recommendations for member States; decisions; resolutions to be implemented by the organization and member States; or binding international agreements. Consideration should also be given to the negotiation of specific agreements with well-defined objectives which should be open to all interested parties and be transparent.

58. The process of negotiation should be initiated in a selective manner, paying due regard to the nature and maturity of the issues involved and keeping in mind the need for a broad convergence of views as a prelude to meaningful negotiations. Negotiations should be launched on the basis of a large degree of common understanding on the desirability of an outcome and its form.

59. On issues where other institutions are vested with the necessary powers of decision- or rule-making, UNCTAD should aim at providing constructive approaches, as well as viewpoints, and at generating political impulses on matters within its purview, to be considered by these institutions in accordance with their decision-making powers.

60. Effective implementation, monitoring, and follow-up are essential for fulfilling the mandate of UNCTAD, and the necessary arrangements should be made by the Trade and Development Board in order to ensure that the outcomes of the processes described above are translated into concrete action.

61. Technical cooperation should be strengthened, expanded with the resources available and integrated into all relevant areas of UNCTAD's work, taking into account the need for effective interaction among the main functions of UNCTAD and the need for continued effective coordination with other technical cooperation agencies of the United Nations system. It is a component of a comprehensive development approach to support domestic efforts in UNCTAD's fields of competence and to strengthen the capacity of countries to manage their own development process, as well as to be both full participants in, and beneficiaries of, international deliberations in these areas.

62. A strengthened and expanded technical cooperation programme will require political support and increased extra-budgetary financial contributions. The Conference welcomes the growth of financial contributions during the past few years. It further invites member States to contribute or, as the case may be, to increase their contributions to UNCTAD's technical cooperation, particularly for the purposes outlined in this document. The policy review of UNCTAD's technical cooperation activities referred to in paragraph 68 below should assess the results and as necessary ensure continued support for these activities. Developing countries, in the context of their national priorities, should arrange for adequate provision to be made for technical cooperation as regards trade and development in the context of UNDP country and inter-country programmes and in programmes financed by bilateral and other multilateral donors. Interested countries are invited to make use of the services of

UNCTAD and of ITC in this respect, including for the assessment of technical cooperation needs. UNCTAD and ITC should continue their efforts to achieve complementarity in their technical cooperation activities.

C. Adapting, re-orienting and consolidating the substantive work of UNCTAD

63. UNCTAD should, in the light of its mandate, continue to address long-standing trade and development problems, as well as new and emerging issues in this field. The Conference agrees that the following areas should serve as orientations for developing both fresh approaches to long-standing issues and insights for pursuing relevant new lines of work:

A NEW INTERNATIONAL PARTNERSHIP FOR DEVELOPMENT:

(1) The translation into operational terms of this concept requires mutually supportive efforts at the national and international levels. It is crucial to ensure the enhanced participation in the world economy of developing countries, as well as countries undergoing the process of transition to market economies, through: the betterment of their trade conditions, including trade efficiency, access to markets and structural adjustment; effective policies in the field of commodities; further evolution of the international debt strategy; rapid and balanced expansion of the service sectors in developing economies; exploiting the interrelationship between technology and investment; and strong policies for human resources development.

(2) Intensified international cooperation for development involves fresh approaches to traditional areas, including development finance, concerted efforts to fight poverty, special measures to promote developing countries' exports, the Programme of Action for the Least Developed Countries for the 1990s, the United Nations New Agenda for the Development of Africa in the 1990s, as well as Programme 45: the United Nations System-wide Plan of Action for African Economic Recovery and Development, and economic cooperation among developing countries.

GLOBAL INTERDEPENDENCE:

(3) A dialogue and evaluation of trends and issues in the world economy in order to strengthen global interdependence and to reduce imbalances in the global economy for the benefit of all countries, especially developing countries. Work will focus on: international implications of macroeconomic policies and issues related to their coordination; evolution of the international trading, monetary and financial systems; good management at the international level; and evolution and consequences of the emerging enlarged economic spaces and regional integration processes.

PATHS TO DEVELOPMENT:

(4) Sharing and discussion of national development experiences and policies, paying due regard to different national circumstances and to relevant aspects of the international economic environment. Work will focus on distilling lessons and policy advice from the experiences of all countries,

including domestic reform and development policies, in promoting sustained growth and development of their economies. Experiences should be exchanged on national policies in areas of economic management and the respective roles of the public and private sectors; fostering entrepreneurship; mobilizing financial and human resources; promoting flexible and competitive markets and developing export markets, and supplementing market outcomes to ensure respect for social values. Attention should be paid to the interrelationship between economic progress, market orientation, good management and increased popular participation. The economic aspects of conversion of military capacities to civilian uses should be also addressed.

SUSTAINABLE DEVELOPMENT:

(5) Work in areas requiring international cooperation to ensure that growth and development, poverty alleviation, rural development and protection of the environment are mutually-reinforcing, such as: interaction between trade issues and environmental policies; measures to promote ecologically sound development; generation and dissemination of environmentally sound technologies; impact of patterns of production and consumption on sustainable development, and follow up, as appropriate, of UNCED's conclusions and recommendations. 1/

D. Strengthening UNCTAD's intergovernmental machinery and improving its methods of work

64. UNCTAD's intergovernmental machinery and methods of work need to be revised to ensure that all facets of its work programme are fully integrated and reviewed periodically, with the objective of: (i) providing an enriched substantive and technical basis for policy discussion, negotiation and decisions; (ii) increasing UNCTAD's effectiveness in addressing national and international development issues; (iii) stimulating a greater participation of officials responsible for policy formulation at the national level in the work of the organization. The Conference accordingly agrees on the following.

65. UNCTAD's intergovernmental structure shall consist of the Trade and Development Board, standing and special committees, and ad hoc working groups.

1/ In its first meeting after the United Nations Conference on Environment and Development, the Trade and Development Board will discuss the impact of its results on UNCTAD's work, and will take the necessary action to ensure the discussion and adoption of the required measures within UNCTAD's intergovernmental machinery.

1. The Trade and Development Board and its subsidiary bodies

(a) The Trade and Development Board

66. The Board will address at one part of its annual sessions a topic relating to the international implications of macroeconomic policies and issues concerning interdependence, using the *Trade and Development Report* as background; and at the other part, it will consider a topic relating to trade policies, structural adjustment and economic reform. These topics should be defined sufficiently in advance of their consideration by the Board. Additional topics drawn from other key areas indicated in paragraph 63 should also be addressed at each of the two parts of the annual sessions so as to cover all the key areas during the period between Conferences and to respond fully to requests made by the General Assembly for the consideration of particular issues, including, notably UNCTAD's contribution to the United Nations New Agenda for the Development of Africa in the 1990s. The Board will also undertake, during the spring segment of its annual sessions, the review of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s, using the *LDC Annual Report* as background.

67. The policy function of the Board should be strengthened. The Board should be more active in adapting the organization's work to changing worldwide economic circumstances, reviewing work programmes and priorities, promoting greater efficiency and reacting to reports from its subsidiary bodies in order to give impetus to ongoing work. In order to facilitate this task, the Board will meet in short executive one-day or half-day sessions at the level of Permanent Representatives immediately before its regular sessions, and periodically in between.

68. The Board will conduct, midway between Conferences, a review and evaluation of the work programme of the intergovernmental machinery, including its own; of technical assistance programmes; and, bearing in mind the calendar established in this regard, of the programme budget and medium-term plan, so as to ensure full integration of all work undertaken by UNCTAD and to establish or adjust priorities for the period up to the following Conference.

69. In order to facilitate the full participation of representatives of the least developed countries in its consideration of progress in the implementation of the Programme of Action for the Least Developed Countries for the 1990s, the Board should establish in advance the specific organizational arrangements and dates for such work.

(b) The Committees of the Board

70. With the exception of the Special Committee on Preferences and the Intergovernmental Group of Experts on Restrictive Business Practices, whose

terms of reference remain unchanged, the Conference agrees that the existing Committees of the Board should be suspended and standing committees on the following topics be established:

- Commodities;
- Poverty alleviation;
- Economic co-operation among developing countries;
- Developing services sectors: fostering competitive services sectors in developing countries.

71. The standing committees should be geared to assist the Board in the effective discharge of its functions. The work and agendas of the standing committees should be organized in such a way as to attract the attendance of senior policy officials in the respective sectors.

72. The present terms of reference of the Committee on Shipping and of the Committee on Invisibles and Financing related to Trade (Insurance) should be included in that of the standing committee on fostering competitive services sectors in developing countries.

73. The terms of reference of the committees referred to in paragraph 70 above should be urgently established by the Board, which should complete this task by the end of the first part of its thirty-ninth session.

74. In addition to the redeployment of the work programmes of the subsidiary bodies referred to in paragraph 72 above, aspects of the work programmes of the following Committees relevant to the programme of work adopted by the Conference will be assumed, as appropriate, by the Board, the standing committees or the ad hoc working groups referred to above:

- Committee on Invisibles and Financing related to Trade (Finance);
- Committee on Manufactures;
- Committee on the Transfer of Technology.

75. The Committees will meet as often as determined by the Board, and their meetings will be of five days' duration or less.

76. Immediately prior to UNCTAD IX, the Board will review the functioning of its Committees with a view to making recommendations concerning them to the Conference.

(c) Ad hoc working groups

77. It is recognized that issues emerging on the international scene which have a bearing on trade and development and new or emerging aspects of long-standing problems in that field require, because of their complexity, detailed analysis, examination and reflection. Provided such subjects are precisely defined, the necessary in-depth exploration and the identification

of possible areas of convergence may be entrusted to working groups established in an ad hoc manner by the Board. Ad hoc working groups will be established for a period of up to two years, which may be extended if the Board so decides. In order to enable national experiences as well as empirical evidence to be brought to bear on the issues, the core membership of these working groups will comprise all interested countries, which will nominate the relevant national experts. Other countries may participate in an observer capacity. Provision will also be made for the participation of outside experts in an advisory capacity, as provided for in paragraph 84.

78. These ad hoc working groups should report directly or through the relevant committee to the Trade and Development Board. In the light of the report, the Board should decide what, if any, further action is needed.

79. The Conference requests the Board, as an initial step, to establish, for necessary action by the Secretary-General of UNCTAD, ad hoc working groups to deal respectively with:

I. Investment and financial flows; non-debt-creating finance for development; new mechanisms for increasing investment and financial flows;

II. Trade efficiency;

III. Comparative experiences with privatization;

IV. Expansion of trading opportunities for developing countries;

V. Interrelationship between investment and technology transfers.

80. The Conference welcomes the intention of the Secretary-General to make the necessary adjustments to meet the requirements of the new work programme and intergovernmental structures.

2. Methods of work

81. Greater flexibility is necessary in the sequencing and duration of meetings of the subsidiary bodies of the Board, as well as in setting the agenda of sessions of the Board and its subsidiary bodies. To this end, the Secretary-General of UNCTAD should be granted a greater measure of discretion in the preparation of proposals on these matters for the consideration of Governments, including through the informal consultative mechanism referred to in paragraph 83 below.

82. Greater flexibility should also be sought in the manner in which intergovernmental consultations and negotiations take place. While Governments remain free to join with others to pursue common objectives or to formulate joint positions, complementary mechanisms, such as ad hoc issue-oriented groupings, better arrangements to facilitate cross-group communications, and greater recourse to consultations arranged by the Secretary-General of UNCTAD involving interested Governments, should be fostered and utilized.

83. In order to enhance the effectiveness of the existing system of consultations with representatives of member States between sessions of the Trade and Development Board and to promote greater efficiency in the intergovernmental processes, the informal consultative mechanism established by the Board in its resolution 231 (XXII) (also known as the monthly consultations of the Secretary-General) should be strengthened for the purpose of preparing and following up the work of the Board. The preparatory process for the work of the informal consultative mechanism should take the form of exchanges of views by the Secretary-General with the representatives of States members of the Bureau of the Board. Such prior exchanges of views should be held as often as may be necessary, so as to enable the Secretary-General to submit recommendations for approval by the informal consultative mechanism.

84. Non-governmental actors, such as enterprises, trade unions, the academic community and non-governmental organizations, as well as other international bodies, could, depending on the issue, be invited to participate in an advisory capacity both at public meetings of the Board and its standing and special committees and in the ad hoc working groups described in paragraph 77. More generally, closer cooperation, through regular contacts of various kinds, should be developed with such external actors, especially non-governmental organizations and the enterprise sector.

85. With a view to enhancing its substantive work and technical cooperation, including the optimal design and execution of projects, consultation and cooperation between UNCTAD and development and financial institutions, as well as with non-governmental organizations, should be intensified. Similarly, the Secretary-General of UNCTAD should set up flexible and informal mechanisms involving the participation of non-governmental actors, particularly the enterprise sector, so as to avail himself of their advice on specific issues under current examination.

86. To enable the secretariat to meet the highest professional standards and to enhance its responsiveness to changing requirements, the Secretary-General of the United Nations is invited to give consideration to granting UNCTAD greater operational flexibility in budgetary, financial and administrative matters, within existing resources, consistent with his overall responsibility as chief administrative officer of the United Nations.

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87. The Trade and Development Board, at its first session following UNCTAD VIII, is called upon to take the necessary follow-up measures to ensure the speedy implementation of the above agreed institutional reforms.

Part IV

POLICIES AND MEASURES

88. Issues and policies in the areas of finance, trade, commodities, technology and services interlink in a variety of ways. Some of these interlinkages are long-standing, others, such as the interplay between trade, investment, technology and services, have only recently become prominent.

89. Policies and measures - at the national and international levels in the interrelated fields of resources for development, international trade, technology, services and commodities - to accelerate the development process are outlined below. The full significance of these policies should be assessed in an integrated and comprehensive manner, in the light of the new spirit of partnership in development, calling for a reinvigoration of the development dialogue. The Conference agrees that Governments should provide for specific operational mechanisms to ensure the effective implementation of decisions taken.

A. Resources for development

1. Assessment

90. While some developing countries have managed to achieve rapid economic growth and satisfactory external financial positions in recent years, many others have continued to experience acute difficulties with regard to the mobilization of resources for development. The difficulties of the latter have in many cases contributed to serious backsliding in development efforts in areas such as food security, poverty reduction, human resource development, infrastructural investment and environmental conservation. The primary source of financing for development has been, and will remain, developing countries' own savings. A substantial increase in savings is probably not feasible in most developing countries in the absence of faster growth. But there is still considerable scope for improving the allocation and utilization of savings and for reversing capital flight. Increased amounts of external financing will also be needed to supplement developing countries' domestic savings on conditions which take proper account of the specificity of the economic needs and situations of developing countries. Private lending is unlikely to revive substantially for most countries in the near future, and total resource flows in real terms have in recent years remained well below the levels of the early 1980s. Special importance thus attaches to the mobilization of external finance in forms such as official flows and foreign direct investment and continuing to work towards solutions to the debt problems which still remain despite recent improvements in the international debt strategy. An important part of the additional financial effort required in the 1990s will be the mobilization of international finance for the protection of the environment. This mobilization will build on such initial steps as the agreements on the Interim Multilateral Fund to assist countries' signatories to the Montreal Protocol on Substances that Deplete the Ozone Layer and on the Global Environmental Facility to provide grants or concessional loans to developing countries to support environmental measures in specific areas.

2. Measures and action

(a) National policies

91. The Conference agrees that all countries should deploy sustained efforts to mobilize domestic savings for investment, growth and development. It emphasizes that a major part of such efforts should be the achievement of macroeconomic stability and predictability, which in turn requires increased monetary control and greater financial discipline. It notes, however, that monetary policy should not be overburdened, and that use of a wider gamut of policy instruments is needed.

92. Financial liberalization should be accompanied by appropriate institutional reform and by those domestic supervisory and prudential arrangements required for a sound national banking system operating in the context of a liberal and secure international financial system. It should be introduced in a context of macroeconomic stability, and proceed in a manner compatible with the competitiveness and institutional development of capital markets. Liberalization in these circumstances can help to maximize the contribution of the financial sector to economic development.

93. The Conference agrees that an economically and institutionally efficient public sector would contribute to fostering growth and development. In many countries, public sector reform is essential for the improved mobilization and use of savings. Fiscal reform should be introduced with the aims of rationalizing and simplifying the taxation system, with due account being taken of the revenue, equity and incentive aspects of the taxation system, protecting government revenues from erosion by inflation and strengthening tax administration.

94. The Conference reiterates the importance of giving high priority to the development of human resources, especially with regard to women, particularly to improve the status of rural women, and the provision of basic public goods, including investment in infrastructure, as well as social services, such as health and education. Structural adjustment programmes and international cooperation programmes should take full account of these priorities.

95. The Conference notes the growing recognition that reform of State economic enterprises would contribute to an increase in savings and investment in developing countries. Privatization is an option and, accompanied by an effective regulatory framework to foster competition and efficiency and prevent the emergence of private monopolies, it could play an important role. The Conference notes that many member countries have adopted privatization programmes, and it encourages officials responsible for these programmes to share their experience and expertise.

96. The considerable efforts made by developing countries to improve their policy and regulatory environment so as to attract foreign direct investment (FDI), the return of flight capital and other non-debt-creating financial flows should be further strengthened. A favourable environment for foreign direct investment also requires appropriate policies to sustain economic development and to encourage the expansion of internal market opportunities and export activities.

97. The Conference also reiterates the need for developed countries to implement necessary adjustment measures with a view to bringing about a more favourable international economic environment which would help stimulate economic growth in developing countries. Developed countries should take steps to reduce external and fiscal imbalances. They should also adopt appropriate mixes of fiscal and monetary policies conducive to a decline in interest rates consistent with price stability and an increased stability of exchange rates, effectively coordinating these policies as required.

98. All countries should consider the possibilities that exist in their specific and individual situation for the reduction of military expenditures and for channelling the savings towards socially productive uses. The Conference welcomes reductions already under way or planned by developed countries and urges them to continue these efforts, in view of the importance which a decrease of military expenditures can have for the reduction of external and fiscal imbalances and for increased availability of development finance. The Conference urges developing countries to reduce military spending to the extent that it is excessive in their specific and individual situation, recognizing the positive effects that such a reduction can have on budgetary policies aimed at the acceleration of their growth and development.

99. The intergovernmental machinery of UNCTAD, with the appropriate support from the secretariat, should explore the issue of structural adjustment for the transition to disarmament and the implications for world economic growth and development.

(b) International policies

(i) Debt

100. All countries reaffirm their commitment to the evolving international debt strategy aimed at restoring debtor countries' external financial viability and the resumption of their growth and development. The international community should continue to provide support, including, on a case-by-case basis, further debt relief, for countries implementing sound economic reform programmes.

101. The Conference recognizes, in regard to the external debt incurred with commercial banks, the progress being made under the strengthened debt strategy and encourages more rapid implementation of this strategy. Some countries have already benefited from the combination of sound adjustment policies and commercial bank debt reduction or equivalent measures. The Conference wishes to encourage:

(a) Other countries with heavy debts to banks to negotiate similar commercial bank debt reduction with their creditors;

(b) The parties to such a negotiation to take due account of both the medium-term debt reduction and new money requirements of the debtor country;

(c) Multilateral institutions actively engaged in the strengthened international debt strategy to continue to support debt-reduction packages related to commercial bank debt with a view to ensuring that the magnitude of such financing is consonant with the evolving debt strategy;

(d) Creditor banks to participate in debt and debt-service reduction;

(e) Strengthened policies to attract direct investment, avoid unsustainable levels of debt and foster the return of flight capital.

102. With regard to debt owed to official bilateral creditors, the Conference welcomes the recent measures taken by the Paris Club with regard to more generous terms of relief to the poorest most indebted countries. The Conference welcomes ongoing efforts to implement these Trinidad terms measures in a manner commensurate with their payments capacity and in a way that gives additional support to the economic reform efforts of those countries. The Conference also welcomes the substantial bilateral debt reduction undertaken by some creditor countries and encourages others which are in a position to do so to take similar action.

103. The Conference commends the actions of low-income countries with substantial debt burdens which continue, at great cost, to service their debt and safeguard their creditworthiness. Particular attention should be paid to their resource needs. Other debt-distressed developing countries which are making great efforts to continue to service their debt and meet their external financial obligations also deserve due attention.

104. In connection with multilateral debt, the Conference urges that serious attention should be given to continuing to work towards growth-oriented solutions to the problem of developing countries with serious debt-servicing problems, including those whose debt is mainly to official creditors or to multilateral financial institutions. Particularly in the case of low-income countries in the process of economic reform, the support of the multilateral financial institutions in the form of new disbursements and the use of their concessional funds is welcomed. The use of support groups should be continued in providing resources to clear arrears of countries embarking upon vigorous economic reform programmes supported by IMF and the World Bank. Measures by the multilateral financial institutions such as the refinancing of interest on non-concessional loans with IDA reflows - "fifth dimension" - are noted with appreciation.

105. The international community should explore ways and means to improve coordination between all creditors, official and private, and donors to help meet, in an integrated manner and based upon solid economic considerations, financing requirements of debtor countries in relation to their medium-term development programmes. The experience gained with the Special Programme of Assistance to Africa of the World Bank, consultative groups, etc., could serve as an example here. The Conference recognizes that in such a way the risk of underfunding of those programmes can be considerably reduced.

106. Technical cooperation among developing countries in the area of external debt and UNCTAD's cooperation with developing countries in debt negotiation and its activities in providing advice to developing countries on debt issues should be continued, as should UNCTAD's analytical role in this area.

(ii) External finance for development

107. The process of structural adjustment in developing countries needs to be adequately supported and funded. A substantial increase in the aggregate level of resources, particularly concessional resources, would provide a needed boost to this process. In addition, it is important to ensure that associated macroeconomic and structural policy conditions take due account of the specificity of the economic needs and conditions of developing countries.

108. The Conference underscores that substantial additional efforts are required to enhance both the quantity and quality of support for developing countries. In this regard, official finance in its various forms is particularly important. Developed country donors should implement the undertakings they have made to attain the agreed international target of devoting 0.7 per cent of GNP to ODA and, to the extent that they have not yet achieved that target, agree to continue their efforts. Other developed donor countries, in line with their support for reform efforts in developing countries, agree to make their best efforts to increase their level of ODA so as to contribute to the common effort to make available the substantial additional resources that have to be mobilized. In addition, other countries in a position to assist will share in the global efforts, each according to its capacities. Donors reaffirm the commitment undertaken at the Second United Nations Conference on the Least Developed Countries to bring about a significant and substantial increase in the aggregate level of external support to these countries, taking into account that since the Paris Conference six States have been added to the list of least developed countries.

109. The effectiveness of aid should be strongly enhanced by both donor and recipient countries. On the recipient side, a stable policy environment which would, among other things, encourage long-term investment and increase its efficiency will contribute to increasing the effective use of aid. On the donor side, aid effectiveness will be enhanced by improved aid coordination, by further untying of aid and by targeting aid on the genuine promotion of long-term development, in particular human resource development. Aid efforts should take into account the increasing differentiation among developing countries: while highly concessional assistance should be focused primarily on low-income countries, resources for cooperation with other developing countries in need of assistance could be of a less concessional character.

110. Efforts to provide financial assistance to the countries of Central and Eastern Europe will not diminish the determination of the international community to give high priority to developing countries.

111. The resources of the World Bank's Special Programme of Assistance for debt-distressed low-income countries, and those of the International Monetary Fund's Structural Adjustment Facility and the Enhanced Structural Adjustment Facility, must continue to play a key role in providing medium-term concessional loans to low-income countries. In this context, the Conference welcomes the fact that the list of countries eligible for support under ESAF is being kept under consideration.

112. The members of IMF are encouraged to continue considering the question of further SDR allocations.

113. Both industrialized and developing countries should consider ways and means to encourage mutually beneficial flows of foreign direct investment to the developing world. For those interested, such measures could include membership in, and wide utilization of, programmes under the MIGA and IFC, the conclusion of bilateral investment and double taxation treaties, and the provision of direct incentives. Consideration should also be given to innovative incentives and promotional measures that could be adopted by developed countries and the World Bank.

114. Intensified efforts should be made by all countries and multilateral financial institutions to implement fully and expeditiously the Programme of Action for the Least Developed Countries for the 1990s adopted by the Second United Nations Conference on the Least Developed Countries, held in Paris in September 1990.

115. The Conference recognizes that the problems of the poor countries in Africa are particularly difficult and need special treatment. It also recognizes that, in dealing with Africa's external indebtedness, the magnitude and the severity of the debt problems of many African countries constitute a severe and continuing burden which restricts their economic recovery and long-term development: the international community, particularly the donor developed countries and the multilateral financing institutions should fully implement the concrete measures agreed in the United Nations New Agenda for the Development of Africa in the 1990s following the final review of UN-PAAERD, as well as Programme 45: the United Nations System-wide Plan of Action for African Economic Recovery and Development.

116. The Conference takes note of the proposal of the Secretary-General of the United Nations to convene an international conference on the financing of development and urges its speedy and full consideration in preparation for the forty-seventh session of the General Assembly.

117. The Conference agrees that the UNCTAD secretariat should undertake analysis and make proposals, as well as provide technical assistance to developing countries, in the above-mentioned areas. UNCTAD could also be a forum to promote discussions and negotiate basic consensuses on the treatment of resources for development in the different competent organizations of the international economic system.

(c) Environment and development finance

118. For developing countries to achieve sustainable development and be in a position to address pressing problems of economic growth needed to combat poverty and to improve environmental management domestically, they must have access to the financial resources necessary to meet these challenges. While domestic resources will have to play an important role, donors pledge their continuing efforts to ensure that external resources available from both the public and the private sectors and provided through existing bilateral and multilateral channels should be increased and used effectively and efficiently. For developing countries to play their full part in coping with global environmental problems, the Conference considers that appropriate additional financial resources should be made available to them as part of a strengthened partnership. It also agrees on the need for more funding for implementing sustainable development policies at the national level.

119. The Conference emphasizes that government intervention for the protection of the environment and the achievement of sustainable development should pay attention to, inter alia, control mechanisms that make use of market signals and generate additional financial flows. The Conference notes that the UNCTAD secretariat is undertaking studies on a possible global system of tradeable carbon emission entitlements.

120. Creditor countries, multilateral financial institutions, developing countries and non-governmental organizations should cooperate in efforts to implement debt conversion schemes devised by debtor countries for the protection of the environment.

(d) Resource allocation and sustainable development

121. The Conference agrees that there is a need to examine the terms and conditions on which developing countries can resort to economic and regulatory tools aimed at integrating environmental costs into economic activities, so as to correct market deficiencies, without thereby hampering their economic growth and development and jeopardizing their competitive position on international markets.

122. Likewise, a number of principles, such as the polluter-pays principle, the user-pays principle and the use of a precautionary approach where uncertainties exist, are being examined as devices to foster economic behaviour more in line with the imperatives of sustainable development. As these principles might be considered in future international negotiations related to the environment, there is a need to study further their implications for developing countries, and to make conclusions available to the relevant negotiating bodies in time for them to be taken into account. UNCTAD should undertake studies and provide information and analyses within its competence in the relevant areas.

123. In addressing all the above issues related to the environment and sustainable development, full recognition and detailed attention should be given to the specificities and realities of the developing countries and their social, economic and environmental needs, as well as their national plans and priorities.

* * *

124. The Conference expresses its deep concern about the serious ecological damage that was caused by the recent Gulf crisis.

B. International trade

1. Assessment

125. The international trading environment has been affected by a number of developments which have created new challenges and opportunities and which have made multilateral economic cooperation of even greater importance. World trade has continued to grow faster than world output in recent years. However, the expansion of world trade has been unevenly spread, and only a limited number of developing countries have been capable of achieving

appreciable growth in their exports. Protectionist pressures and unilateral policy actions continue to endanger the functioning of an open multilateral trading system, affecting particularly the export interests of developing countries. Economic integration processes have intensified in recent years and should impart dynamism to global trade and enhance the trade and development possibilities for developing countries. In recent years, a growing number of these countries have adopted courageous policy reforms involving ambitious autonomous trade liberalization, while far-reaching reforms and profound restructuring processes are taking place in Central and Eastern European countries, paving the way for their integration into the world economy and the international trading system. Increased attention is being devoted to enhancing the role of enterprises and promoting competitive markets through adoption of competition policies. The GSP has proved to be a useful trade policy instrument, although its objectives still have to be fulfilled, and trade facilitation strategies relating to electronic data interchange (EDI) have been effective in improving the trading efficiency of the public and private sectors. The interactions between environment policies and trade issues are manifold and have not yet been fully assessed. An early, balanced, comprehensive and successful outcome of the Uruguay Round of multilateral trade negotiations would bring about further liberalization and expansion of world trade, enhance the trade and developement possibilities of developing countries and provide greater security and predictability to the international trading system.

2. Objectives

126. Accordingly, the objectives of the international community should be:

(a) To halt and reverse protectionism in order to bring about further liberalization and expansion of world trade, to the benefit of all countries, in particular the developing countries;

(b) To provide for an equitable, secure, non-discriminatory and predictable international trading system;

(c) To facilitate, in a timely way, the integration of all countries into the world economy and the international trading system;

(d) To ensure that environment and trade policies are mutually supportive, with a view to achieving sustainable development;

(e) To strengthen the international trading system through an early, balanced, comprehensive and successful outcome of the Uruguay Round of multilateral trade negotiations.

3. Measures and action

(a) Protectionism, structural adjustment and trade policy reforms

127. All countries should implement previous commitments to halt and reverse protectionism and further expand market access, particularly in areas of interest to developing countries. This improvement of market access will be facilitated by appropriate structural adjustment in developed countries.

128. Developing countries should continue the trade-policy reforms and structural adjustment they have undertaken and, in particular, should progressively reduce their import barriers, consistent with their trade, financial and development needs. These efforts should be supported by the international community through adequate improved market access and increased flows of financial resources.

129. Member countries are invited to support the transition of countries in Central and Eastern Europe to a market economy and to liberalize their trade regimes vis-à-vis all of them. Those countries which have already done so are invited to continue to do so. It is important that discriminatory measures aimed specifically at these countries be abolished and that non-tariff measures (NTMs) which affect their exports be relaxed on a MFN basis. At the same time, the interests of the world economy would be best served if the trade regimes that are emerging in the Central and Eastern European countries are kept open to imports from all potential trading partners, without prejudice to preferential agreements under the relevant provisions of GATT. Special attention should be paid in this regard to trade with developing countries, in accordance with international commitments on differential and more favourable treatment for them. The Trade and Development Board should periodically assess the above process, and UNCTAD should identify the opportunities resulting from the above developments for the mutual benefit of developing countries and individual countries of Central and Eastern Europe, notably through technical assistance, with a view to helping developing countries derive the maximum benefit in terms of expansion of trade and reinforcement of economic cooperation with individual countries of Central and Eastern Europe. UNCTAD should collaborate in this respect with UNDP and multilateral institutions, where appropriate.

130. The international trading system should support the observance by all countries of their international commitments on the granting of differential and more favourable treatment to developing countries and provide for the increasing integration of developing countries into the international trading system in accordance with their level of development.

131. The international community should implement the measures adopted in the Programme of Action for the Least Developed Countries for the 1990s aimed at granting substantially improved market access for exports of LDCs and at providing special trade treatment for these countries.

132. Reaffirming paragraph 105 (4) of the Final Act of UNCTAD VII and Trade and Development Board decision 367 (XXXV) that Governments should consider, as part of their fight against protectionism, as appropriate, the establishment of transparent mechanisms at the national level to evaluate measures sought by firms/sectors, and the implications of such measures for the domestic economy as a whole and their effects on the export interests of developing countries and the need to take expeditious and concrete measures towards this end, the Conference agrees that UNCTAD should promote the establishment of these mechanisms, including discussion on their relevant features, and their participation in the work of the appropriate UNCTAD bodies, as appropriate. The secretariat should provide technical assistance to interested countries in connection with the establishment of such mechanisms.

133. Attention should be given by all countries to increasing the transparency of their trade regimes and to the replacement of NTMs by tariffs where possible.

134. The Conference notes that many developing country exports have benefited from GSP treatment, and encourages preference-giving countries to continue to improve and renew the schemes and to extend the schemes' operation periods in order to avoid the uncertainty of preferences, bearing in mind the autonomous nature of the schemes.

135. The Conference recommends that preference-giving countries comply with the multilaterally agreed principles of the GSP. Preference-giving countries should consider appropriate adjustment in country coverage. The Conference recognizes that a substantial expansion of product coverage to include hitherto excluded products of current and potential export interest to developing countries would constitute a major improvement in the effectiveness of the GSP and calls upon preference-giving countries to consider, if possible, comprehensive product coverage, especially in the context of the review of the schemes under way in many preference-giving countries. Limitations and restrictions on preferential imports, as well as withdrawals of preferential benefits, should be minimized, and the rules of origin should be simplified and harmonized, where possible, so as to impart stability, transparency and greater predictability to the schemes and to reduce their complexity.

136. The Conference expresses concern over the incidence of non-tariff measures on the benefits deriving from GSP schemes, and preference-giving countries are urged to make efforts to reduce or eliminate such barriers linked to the GSP schemes.

137. The Conference calls upon preference-giving countries to fully implement the relevant provisions of the Paris Declaration and Programme of Action in respect of GSP measures in favour of least developed countries and urges that special consideration be given to products of export interest to them, in particular to the provision of duty-free access.

138. The Conference urges UNDP and potential donor countries in a position to do so, to increase their contributions to the UNCTAD technical assistance programme on GSP in order to allow developing countries to benefit fully from the system. Those preference-receiving countries and their exporters which have not yet fully taken advantage of the GSP should participate actively in these technical assistance activities.

139. The Conference requests the Special Committee on Preferences to examine the scope and possible modalities for extending preferential treatment to developing countries with respect to goods, in accordance with the principles and objectives underlying the GSP.

140. With MFN rates expected to be brought down pending a successful conclusion of the Uruguay Round, preference-giving countries should consider, where possible, increasing preferential margins and duty-free treatment offered under existing preferential schemes.

141. The Conference agrees that the Trade and Development Board should, annually at its spring session, continue to review global developments in the evolution of production of and trade in manufactures, commodities and services; the review should comprise analysis of the principal elements of, and effects of, structural adjustment policies and trade policies, and if appropriate, policy options, taking into account the special interests of the developing countries.

142. The Secretary-General may, as he deems necessary, convene high-level experts to present their views to the Board or its sessional committee on specific issues requiring the attention of the Board.

(b) Improving the international trading framework

143. Reiterating the principles and objectives of the Punta del Este Declaration, the Conference urges all participants, and in particular the major trading partners, to make determined efforts to arrive at an early, balanced, comprehensive and successful outcome to the Uruguay Round, taking into account the specific interests of developing countries. The Conference reaffirms the commitment to an open, viable and durable multilateral trading system to bring about further liberalization and expansion of world trade to the benefit of all countries, especially developing countries.

144. Pursuant to General Assembly resolution 45/203, the Conference requests the Trade and Development Board to analyse and assess the outcome of the Uruguay Round, in particular in areas of interest or concern to developing countries, and its impact on the international trading system. In this context, the Board should examine, on the basis of analyses by the Secretary-General of UNCTAD, the problems and opportunities the developing countries as well as the economies in transition in Central and Eastern Europe face in increasing their participation in international trade in goods and services in the 1990s.

145. The Conference acknowledges the appreciation expressed by recipient countries for the support provided by UNDP through UNCTAD to facilitate the effective participation of developing countries in the Uruguay Round.

146. The Conference requests the Trade and Development Board to review the implications of emerging regional free trade and economic integration agreements for developing countries and for the international trading system and to promote regional and subregional integration, particularly among developing countries, as a complementary means to strengthen the trade liberalization process in the world economy.

147. The Conference agrees that UNCTAD should pursue, through the Intergovernmental Group of Experts on Restrictive Business Practices, its work with regard to policies and rules for the control of restrictive business practices in order to encourage competition, to promote the proper functioning of markets and efficient resource allocation, and to bring about further liberalization of international trade. Efforts should be made by national Governments or regional authorities to implement fully the provisions of the Set of Multilaterally Agreed Equitable Principles and Rules for the

Control of Restrictive Business Practices and to develop cooperation between national competition authorities, including competent authorities of regional groupings. UNCTAD's work should cover both goods and services.

148. The UNCTAD secretariat and developed countries should also provide, upon request and within available resources, developing countries and other countries with technical cooperation in the area of competition policy.

149. The Conference notes the ongoing discussions in the United Nations and in GATT on strengthening institutional arrangements in the area of multilateral trade, as well as proposals in the Uruguay Round for the establishment of a multilateral trade organization to implement the results of the negotiations.

150. The Conference reaffirms UNCTAD's mandate and important role in the international trading system.

(c) Environment and trade

151. The Conference recognizes that improved market access for developing-country exports, in conjunction with sound environmental policies, would have a positive environmental impact.

152. Environmental policies should deal with the root causes of environmental degradation, thus preventing environmental measures from resulting in unnecesary restrictions to trade. The Conference recognizes that trade policy measures for environmental purposes should not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade. Unilateral actions to deal with environmental challenges outside the jurisdiction of the importing country should be avoided. Environmental measures addressing transborder or global environmental problems should, as far as possible, be based on an international consensus. Domestic measures targeted to achieve certain environmental objectives may need trade measures to render them effective. Should trade policy measures be found necessary for the enforcement of environmental policies, certain principles and rules should apply. These could include, inter alia: the principle of non-discrimination; the principle that the trade measure chosen should be the least trade-restrictive necessary to achieve the objectives; an obligation to ensure transparency in the use of trade measures related to the environment and to provide adequate notification of national regulations; and the need to give consideration to the special conditions and developmental requirements of developing countries as they move towards internationally agreed environmental objectives.

153. The Conference recalls principle 23 of the Stockholm Declaration of 16 June 1972, which provides that: "Without prejudice to such criteria as may be agreed upon by the international community, or to standards which will have to be determined nationally, it will be essential in all cases to consider the systems of values prevailing in each country, and the extent of the applicability of standards which are valid for the most advanced countries but which may be inappropriate and of unwarranted social cost for the developing countries."

154. UNCTAD, at both the intergovernmental and the secretariat levels, taking into account the work of other relevant forums, should undertake in-depth work on the clarification of the linkages between trade and environment and the need for environmental protection to coexist with liberal trade policies and free market access and contribute to consensus building with regard to appropriate principles and rules.

155. The Conference requests the UNCTAD secretariat to undertake studies, analyse policy measures, and carry out technical cooperation in the vital area of trade and sustainable development. In particular, the secretariat should analyse the relationship between environmental policies and trade and the impact of developments in this field on developing countries, taking the work of GATT, OECD, UNCED and other relevant forums into account. In accordance with paragraph 6 of Trade and Development Board resolution 384 (XXXVII), as reaffirmed for this purpose in General Assembly resolution 45/210, UNCTAD should continue to collect, analyse and disseminate information on environmental regulations and measures which may have an impact on trade, especially that of developing countries. The Conference notes that debate on and analysis of environment and trade issues in UNCTAD have intensified. Donor countries are requested to continue contributing extrabudgetary resources to further strengthen UNCTAD's work on interlinkages between environment, trade and sustainable development, including the adjustment of the Trade Control Measures Information System.

(d) Trade efficiency

156. New techniques in international trade transactions and procedures are capable of producing substantial time and money savings in international trade transactions and procedures. These result in new trade links involving all regions of the world. Benefiting from these techniques requires a truly universal use of EDI. UNCTAD programmes should give special attention to the integration of countries and regions less advanced in this process in order to give them access to new sources of trade competitiveness. Domestic models adapted to each level of development are likely to help actual and potential traders and the public sector to integrate into international trade efficiency and to build up the local infrastructures to foster foreign trade and investment.

157. The Conference requests the Secretary-General of UNCTAD to initiate consultations with member States so as to establish an expert group on trade efficiency, having in mind the decision of the Conference (para. 79) to establish an ad hoc working group on trade efficiency. This group will report regularly to the Trade and Development Board on the progress of its work. It should be so composed as to take advantage of the experience of the most advanced public and private participants in the area of trade efficiency. In its work, it will need to take due account of existing efforts made in the United Nations system and in other organizations, in order to support, accelerate and enhance them. The group will be responsible for producing guidelines needed to take concrete steps towards trade efficiency at the national and international levels, especially in developing countries. The group will also identify and formulate the elements necessary to the promotion and implementation of such guidelines, focusing on their legal, technical, procedural and institutional components while preserving full scope for private sector initiatives in this field.

158. The culmination of these efforts of the expert group should be an international symposium on trade efficiency, to be held in 1994. This event should reinforce international discussion on the promotion of harmonized national and regional infrastructures for trade and trade efficiency. It should focus especially on the requirements for involving all countries in efficient trade, giving priority to ways and means of promoting the participation of small and medium-size enterprises in international trade. The Trade and Development Board should regularly review the work done in preparation for the symposium. Sufficient budgetary and voluntary resources should be provided to ensure adequate participation in the symposium. The UNCTAD share of symposium costs should be found within existing resources.

159. Transparency in trade-related information should be fostered by increasing awareness of opportunities to access publicly available market information. Current efforts aiming at establishing EDI standards should be supported so that the business interests and concerns of all countries, in particular developing countries, are represented and complemented through international cooperation.

160. UNCTAD should continue to strengthen its analytical and technical cooperation work in the area of trade efficiency, including through experiments carried out jointly with the private and public sectors of pilot countries.

161. The Conference acknowledges the efforts made by many countries to increase trade efficiency through the use of information technology. Countries are urged to continue such efforts, especially in areas of trade facilitation and Customs automation. All countries are encouraged to adopt laws, regulations and policies that would reduce barriers to trade facilitation through the use of information technology.

(e) Transit facilitation

162. Improvement of transit facilities is vital for the expansion and development of the foreign trade sector of the land-locked developing countries. The Conference urges the international community to assist these countries and their transit neighbours through appropriate financial and technical assistance for the improvement of their transit infrastructure.

(f) Technical cooperation

163. Within existing regular budget resources, the UNCTAD secretariat should, with extrabudgetary contributions, strengthen its technical cooperation activities in the area of trade with the objective of strengthening national capacities for trade and development, enhancing the participation of developing countries in the international trading system, and promoting the trade of developing countries, taking into account the activities of other organizations. Such activities should encompass: trade policy reforms, including, on request, assistance to developing countries preparing for their participation in the GATT Trade Policy Review Mechanism; trade negotiations; market access, including effective use of the GSP; trade and sustainable development; trade facilitation and trade efficiency; dissemination of trade

information and software packages; training and human resource development in regard to the foregoing; and assessment and implementation of the results of the Uruguay Round.

C. Strengthening the technological capacities of developing countries

1. Assessment

164. Technology has increasingly become a determinant of the ability to participate in world trade in manufactures and services. In the context of globalization in the world economy, the prospects for the technological progress of developing countries are determined *inter alia* by their access to technology - which is partly and increasingly a function of inter-firm technological linkages - by developments in intellectual property protection and by the development of their human resources. The revitalization of technology flows and of investment, which remains an important source of technology, and their positive contribution to development requires an increase in the capacity to absorb imported technology, especially in least developed countries, where domestic efforts to improve infrastructure, raise educational standards and train technicians call for sustained international support. The growing international concern for ecologically sustainable development has added a new dimension to this problematique.

2. Measures and action

165. The Conference recognizes that technological capability is one of the fundamental factors for social and economic development, and therefore recommends that emphasis be put on policies and measures that promote technological innovation in developing countries, including the provision of adequate financial resources. With a view to promoting domestic technological capabilities, high priority should be given to stimulating technology flows to developing countries through, *inter alia*, cooperative schemes, incentive measures and inter-enterprise collaboration arrangements. Policies and measures in this field should facilitate the access of developing countries to technology and enhance their capacity to modify and adapt it to suit local conditions and to generate and develop technology domestically.

166. The Conference recognizes that, in order to stimulate transfer of technology and the development of endogenous technological capabilities, developing countries, in their plans and policies, should emphasize policies and measures that enhance their scientific and technological capability and should devote adequate resources, according to their national development needs and within existing availabilities, to that end. Such policies must range from the expansion and adaptation of their educational systems, including vocational training, to the building-up of their scientific and technological research and development capabilities. Such policies should include measures to encourage the diffusion of technology within developing countries, specially to small and medium-sized companies.

167. National technology development policies should be introduced and/or enhanced in the context of an appropriate policy framework which would promote entrepreneurship and encourage technology transfer, including through foreign

direct investment, accompanied by measures for the domestic absorption of such technologies, and provide incentives for investment in technology capacity-building, including research and development (R & D), innovation, adaptation and development of technologies which will support national objectives and priorities.

168. Given the importance of technologies to the development process, developed countries should consider ways of facilitating technology cooperation with the developing world. In their trade and technology policies, developed countries should facilitate access of developing countries to efficient, best-practice, and needed technologies. Means to encourage technology flows to developing countries could include, inter alia, public guarantee schemes to promote joint ventures, licensing agreements and R & D collaboration agreements. Bilateral investment and double taxation agreements can provide, to those interested in subscribing to such agreements, a supportive framework for investment flows inviting transfer of technology and collaborative R & D arrangements between firms of developed and developing countries. Bilateral and multilateral assistance programmes should give due priority to the transfer of appropriate technology, taking into account national development needs.

169. Developed countries should encourage improved cooperation between enterprises and scientific and technological institutions of developed and developing countries. In order to mitigate the negative consequences of the reverse transfer of technology, developing countries should consider, where appropriate, national policies which will encourage their nationals to study and/or work in their home countries, and developed countries should consider providing increased support to existing programmes in order to allow a larger number of developing countries to benefit from knowledge and expertise accumulated by their skilled personnel residing abroad.

170. The Conference recognizes the need to explore ways and means for providing the developing countries with technical cooperation and necessary support to enable them to undertake R & D and skill formation, including training programmes, as well as to import foreign technological inputs as a complement to local technological efforts. In this context, the reverse transfer of technology merits consideration. Multilateral and international financial institutions should be encouraged to take due account of the technological needs of developing countries.

171. The Conference further recognizes that developing countries could help one another by the establishment of common institutions and centres for research and training, by the promotion of joint education programmes in science and technology, and by the exchange of information. Science and technology must be given a prominent place in schemes for cooperation among developing countries at the global, as well as at the regional and subregional level. To this end, special measures could be undertaken to enhance such cooperation, including joint ventures and R & D collaborative arrangements, in order to facilitate the access of developing countries to technologies and to promote foreign direct investment and transfer of technology with due regard to the national interest of developing countries. All countries and relevant international organizations should consider strengthening support for TCDC facilities in developing countries.

172. The Conference recognizes that the establishment and implementation of internationally agreed standards of protection for intellectual property rights which recognize underlying public policy objectives, including developmental and technological objectives, should facilitate international flows of technology and technology cooperation amongst all participating nations, particularly to developing countries on terms and conditions agreed to by the parties concerned, and notes the important role of the World Intellectual Property Organization and the important efforts in the ongoing GATT Uruguay Round negotiations in this regard. The Conference further recognizes that a national regime for the adequate and effective protection of intellectual property rights is important because it can create market incentives for indigenous innovation and the transfer, adaptation and diffusion of technologies.

173. The Conference, having reviewed the work carried out in the negotiations on an international code of conduct on the transfer of technology and the lack of agreement in the recent consultations on this subject, recognizes that the conditions do not currently exist to reach full agreement on all outstanding issues in the draft code of conduct. Should Governments indicate, either directly or through the Secretary-General of UNCTAD reporting according to General Assembly resolution 46/214, that there is the convergence of views necessary to reach agreement on all outstanding issues, then the Board should re-engage and continue its work aimed at facilitating agreement on the code.

174. The Conference agrees that transfer and development of environmentally-sound technologies is an essential component of a successful strategy for sustainable development, and requests that effective modalities for the creation, development, favourable access to and transfer of environmentally-sound technologies, in particular to developing countries, including on concessional and preferential terms, should be examined. This could include the proper dissemination of information on existing environmentally-sound technologies, as well as the improvement of existing, and consideration of the possibility of elaboration of additional, financial schemes and mechanisms to help developing countries to have better access to resources for supporting the cost of importing, using and developing environmentally-sound technologies.

175. The Conference also recognizes that attention needs to be given to the technological requirements of countries undergoing transition processes to a market economy in Central and Eastern Europe and other regions as they adapt their structures to the challenges that face them in the 1990s.

176. In the context of its existing mandate to analyse issues for trade and economic development, the Conference agrees that UNCTAD should focus its work programme in support of economic development of developing countries and of promoting transfer of technology to, and development of endogenous technological capabilities in, developing countries, with special attention to the needs of the least developed countries, on:

(a) Research and policy analysis addressing, in depth, technology issues in their interrelationship with trade in goods and services, investment, finance and evironment;

(b) Analysis addressing technology transfer and issues of transfer of environmentally-sound technology to developing countries and least developed countries. This work should cover the role of entrepreneurship in the transfer, development and management of technology, including the policies affecting the development of entrepreneurial capabilities in developing countries, the role of effective intellectual property protection in the transfer of technology and the development of an indigenous technological capability; relevant human resource development; modalities for channelling technology flows to developing countries, such as investment guarantees and concessional credits; means for strengthening cooperation in the field of R & D activities among countries, particularly between developed and developing countries, and also among enterprises; needs of those developing countries which lack the basic technological infrastructure; challenges and opportunities for transfer of technology to and from countries undergoing transition processes to a market economy;

(c) Technical cooperation activities in support of developing countries in order to enhance their technological capacities. In this respect, priority consideration should be given to the preparation of assessments of developing countries' requirements for building up their capacity to evaluate, select, negotiate, acquire and develop technology; to programmes for the training of human resources, including on the formulation of sound technology policies and on the development of technical and managerial capabilities; and to the transfer, adaptation and generation of environmentally-sound technologies. The Conference expresses its appreciation for technical assistance provided by the Advisory Service on Transfer of Technology (ASTT) of UNCTAD and calls upon Governments and financial development institutions, in particular UNDP, to consider increasing their financial support to ASTT.

D. Services

1. Assessment

177. The 1980s witnessed significant growth in the importance of the services sector in national economies and in international trade. Producer services, in particular, emerged as a highly dynamic segment of the world economy and as a major determinant of productivity and competitiveness. The strategic significance of services for the development process is increasingly recognized. Although the situation varies according to different services sectors, developed-country firms dominate world trade in services, while most developing countries have not been able to build up a productive and competitive capacity, or to overcome barriers to entry to world markets. The increased participation of developing countries in trade in services would enable them to benefit from their comparative advantage in a number of service sectors and would contribute to their development process and to increased efficiency in the world economy. A growing number of developing countries are now in a position to develop exports of services in a range of areas. Some are dependent on the export of services for their foreign-exchange earnings. For others, strengthening their service sectors, including shipping, is crucial to enhance their position in international trade in goods. Many recognize the need to create the appropriate conditions conducive to strengthening their services sectors and to increase their foreign-exchange earnings therefrom.

2. Objectives

178. The multilateral agreement for trade in services emerging from the Uruguay Round should provide a framework for a progressive liberalization of world trade in services which would enlarge the participation of developing countries by expanding their access to markets for services. In order to enable developing countries to benefit from the liberalization of trade in services, the Conference encourages the international community to support the efforts of national Governments to strengthen the production and export capacity of their services sector by establishing an adequate infrastructure and investing in human resource development. In addition, the telecommunications sector plays a critical role in the development of a competitive services economy. National Governments are encouraged to create the conditions necessary to strengthen this sector and improve access to information networks.

179. The Conference, recalling paragraph 105 (19) of the Final Act of UNCTAD VII, agrees to the measures and action on national and international policies set forth in the following section. The Conference also recognizes the important contribution of the private sector in the development of competitive service industries. In particular, corporations often facilitate job creation, human resource development, technology transfer, infrastructure development and expansion of export capacity and capabilities.

3. Measures and action

(a) National policies

180. The Conference agrees that developing countries should pursue policies to create the appropriate conditions for the development of their national services sectors and, in particular, of producer services. Such policies could include, *inter alia*, the following elements:

(a) Modernization and expansion of necessary infrastructures, in particular of telecommunications and information services;

(b) Human resource development, including through on-the-job training arrangements; and development of knowledge-intensive services;

(c) Measures to encourage investment and cross-border trade by firms in the services sector in order to contribute to objectives such as the transfer of technology, training, the strengthening of infrastructures, domestic capital formation, and access to information networks and distribution channels, as well as to make use of services from competitive domestic suppliers in developing countries;

(d) The progressive liberalization of the services sector and the formulation of strategies to improve the domestic services capabilities and for internationally competitive services;

(e) Enhancing cooperation with other countries at the interregional, regional and subregional levels, including mutual trade liberalization, pooling capabilities to improve skills and infrastructures for the promotion of services exports from their countries; and

(f) Improving the infrastructure to support effective participation in negotiations on services at the regional and multilateral levels.

(b) International policies

181. The Conference agrees that all national Governments should be encouraged to support progressive multilateral liberalization, through negotiated commitments, under the draft General Agreement on Trade in Services, in order to promote economic growth and expand world trade in services, particularly with respect to increasing participation of developing countries, with a view to achieving:

(a) The strengthening of their domestic services capacity and its efficiency and competitiveness, inter alia through access to technology on a commercial basis;

(b) The improvement of their access to distribution channels and information networks; and

(c) The liberalization of market access in sectors and modes of supply of export interest to them, including through the temporary movement of labour for the supply of services.

182. The Conference also endorses the obligation that developed countries, and to the extent possible other national Governments, shall maintain contact points, as established under the draft General Agreement on Trade in Services, to facilitate the access of developing countries' services providers to information, related to their respective markets, concerning:

(a) Commercial and technical aspects of the supply of services;

(b) Registration, recognition and obtaining of professional qualifications; and

(c) The availability of services technology.

183. The Conference agrees that the international community, particularly developed countries and relevant international organizations, should be encouraged to continue support for concerted policy actions, including the provision of financial assistance on concessional terms, to promote training, as well as acquisition and transfer of technology on terms and conditions agreed by the parties concerned, to build up their technological and human capabilities, so as to enhance their ability to absorb relevant technologies, and to construct and/or improve basic services infrastructures, including subregional and regional transportation, particularly in low-income countries and LDCs.

184. UNCTAD, in cooperation with other United Nations organizations dealing with services, should continue its useful work in the promotion of mutually beneficial international cooperation in the field of services so as, inter alia, to help developing countries overcome their handicaps in this sector, enhance their international competitiveness so as to increase their participation in world trade in services, promote environmentally friendly

services and enhance the contribution of services to their sustainable development. Due attention should also be given to improving the role of services in the countries undergoing transition to a market economy and increasing their trade in services.

185. The Conference agrees that the following orientations should provide the focus for the evolution of the work programme of the UNCTAD secretariat:

(a) The role played by the services sector in the development process and, in that context, the design of policies to strengthen this sector in the developing countries, including issues relating to production and export capacity;

(b) Services trade issues, with particular emphasis on increasing the participation of developing countries in world trade in this sector and the need to overcome the difficulties they face in their export of services;

(c) Means to facilitate developing countries' access to information networks and distribution channels for services;

(d) Analysis of restrictive business practices by the Intergovernmental Group of Experts on Restrictive Business Practices with a view to improving the functioning of the services markets;

(e) Measures aimed at strengthening the institutional, technological and telecommunications infrastructure of the developing countries, including the incorporation into the services sector of technologies that are of strategic importance for their development;

(f) Increasing knowledge on legislation concerning the services sector and improving statistics relating to this sector;

(g) Analysis of specific ways to ensure an increasing participation of developing countries in trade in services, including a general discussion of all feasible options for promoting effective market access for services exported by suppliers from developing countries;

(h) Assisting countries in the implementation of the results of the Uruguay Round negotiations on trade in services;

(i) Problems and opportunities faced by the countries undergoing transition to a market economy in improving the role of services in their economies, as part of their structural adjustment programmes, with a view to increasing their trade in services and identifying issues for possible international action;

(j) Developments and trends in the various service sectors, with the aim of identifying sector-specific policy options to increase the participation of developing countries in trade in these sectors;

(k) Technical cooperation, at the national, regional and multilateral levels, to support and assist developing countries in identification of their weaknesses and capabilities in the services sector and to make their services sector more competitive;

(l) Technical cooperation with those developing countries which lack the necessary infrastructures needed for the evolution and development of their national service sectors; and

(m) Analysis of the interactions between trade in services and environmental protection, taking into account the work in GATT and other relevant forums.

(c) Maritime transport

186. The Conference welcomes the work of UNCTAD in the field of shipping as one of the sectors of services of interest to developing countries. Resolutions and conventions on maritime transport adopted under the auspices of UNCTAD with a view to creating the conditions for greater participation of developing countries in world shipping play an important role in assisting developing countries and remain from their point of view a significant element of their policy in this service sector.

187. However, structural and technological changes in the shipping sector have affected participation in shipping by a number of countries, developing and developed alike.

188. UNCTAD should continue to provide technical assistance to developing countries on a bilateral, subregional and/or regional basis in the field of maritime transport.

E. Commodities

1. Assessment

189. The dominant feature of the world commodity economy in the 1980s was the prevalence of very low and declining real prices for most commodities on international markets and a resulting substantial contraction in commodity export earnings for many producing countries. Demand for commodities grew moderately because of slow economic growth and the declining rate of raw material usage per unit of GDP, notably in industrialized countries. Potential growth in import demand for some commodities was not realized because of severe balance-of-payments difficulties in many countries. In addition, import demand declined at the end of the 1980s in the countries of Central and Eastern Europe. Growth in supply tended to exceed consistently growth in demand, largely as a result of specific policies of subsidization of production and of productivity improvements leading to production at lower cost, often with higher quality. There was an expansion in the range of commodities produced in a number of countries for both domestic consumption and export. In addition, the volume of traditional commodity exports of developing countries was often increased in response to structural adjustment programmes and to the need to generate foreign exchange earnings, including that to service debt obligations. Nevertheless, the share of developing countries in total world commodity exports declined because the volume and value of commodity exports of developed countries grew more rapidly during the 1980s. On the other hand, the share of developing countries in world commodity imports rose slightly. Developing countries in general remained heavily dependent on commodity exports for their foreign exchange earnings.

While some of them experienced a decrease in the share of commodities in their total export earnings, the majority, particularly in Africa and Latin America, still depended on one or two commodities for more than 50 per cent of their export earnings.

2. International commodity policy for the 1990s

190. The Conference agrees that solutions to problems in the commodity field call for sound, compatible and consistent policies at national and international levels. The Conference, bearing in mind the broad aims of the Integrated Programme for Commodities, agrees that the following goals should be pursued by the international community: (a) improving the functioning of commodity markets by reducing the distortions affecting supply and demand; (b) optimizing the contribution of the commodities sector to development by, *inter alia*, working towards greater cost-effectiveness and productivity, thereby enhancing competitiveness; (c) achieving a gradual reduction in excessive dependence on the export of primary commodities through horizontal as well as vertical diversification of production and exports; (d) improving market access for commodity products through a progressive removal of barriers to international trade; (e) improving market transparency; and, (f) ensuring proper management of natural resources with a view to achieving sustainable development. To this end, the Conference agrees upon the following policies and measures.

3. Policies and measures

(a) Producer and consumer cooperation

191. The Conference urges producers and consumers of individual commodities to make an examination of ways and means for reinforcing and improving their cooperation in order to contribute to the solution of problems in the commodity area. Recognizing that such cooperation could take various forms, it stresses that they should take into account the particular characteristics and situation of each individual commodity.

192. The Conference recommends that an optimal functioning of commodity markets should be sought, *inter alia*, through improved market transparency involving exchanges of views and information on investment plans, prospects and markets for individual commodities. Substantive negotiations between producers and consumers should be pursued with a view to achieving viable and more efficient international agreements, that take into account market trends, or arrangements, as well as study groups. In this regard, particular attention should be paid to the agreements on cocoa, coffee, sugar and tropical timber. The Conference underlines the importance of full and active participation by consumers and producers in international commodity agreements and arrangements. Occupational health and safety matters, technology transfer and services associated with the production, marketing and promotion of commodities, as well as environmental considerations, should be taken into account.

193. Cooperation among producers and consumers should be strengthened, especially in situations of large stock overhangs.

(b) National commodity policies

194. The Conference recognizes that enhancing the contribution of the commodity sector to development requires countries to have a domestic policy and an institutional environment that encourage diversification and enhance competitiveness, inter alia through the modernization and rehabilitation of the corresponding structures, and that recognize the importance of market factors and competition.

195. Comprehensive commodity-sector strategies should be put in place within a macroeconomic policy framework that takes into consideration a country's economic structure, resource endowments, and market opportunities. Such strategies undertaken, where appropriate as part of an overall restructuring programme, should include the setting up of an enabling national environment to encourage the mobilization of domestic and international finance; the provision of specific incentives to encourage private enterprise and private investment; the development and maintenance of commodity-related power, transport and communications infrastructure; the provision of support services and training for human resources development; and support for commodity research arrangements.

196. Strategies should equally encompass measures to improve the competitiveness of traditional commodity exports, as well as programmes and actions to encourage horizontal and vertical diversification, particularly in countries which continue to depend excessively on the export of commodities for their export earnings. Particular attention also needs to be paid to the financial and physical support structures for trading commodities. New market possibilities should be assessed and exploited.

(c) International support for national commodity policies

197. The Conference recognizes that international cooperation should effectively complement and support national commodity policies. International cooperation could take different forms, including (i) creation of a more favourable international economic and trading environment; (ii) other support in the commodity area; and (iii) support for national strategies, notably those aimed at a gradual reduction of excessive commodity dependence.

198. The Conference agrees that a favourable external economic environment would greatly enhance international demand for commodities produced by developing countries and would complement and highlight the effect of sound domestic policies. In this regard, developed country policies conducive to global growth and stability make an important contribution.

199. The Conference calls for concerted efforts on the part of developed-country Governments and relevant international organizations to support appropriate national commodity policies in developing countries, as well as in countries undergoing transition to a market economy, including the provision of adequate and appropriate financial and technical cooperation for commodity development.

200. The Conference agrees that it is urgent to achieve an improvement in market access conditions for commodities, notably the progressive removal of barriers which restrict imports, particularly from developing countries, of commodity products in primary and processed forms, as well as the substantial and progressive reduction of types of support that induce uncompetitive production, such as production and export subsidies. It further agrees that improved market access through a successful conclusion to the Uruguay Round of multilateral trade negotiations will contribute to a favourable international trading environment.

201. The Conference agrees that improved flows of technology to developing countries are important for lowering commodity production costs and encouraging economic development. The free flow of information and science to allow innovation and transfer of technology, on terms and conditions agreed to by the parties concerned, should be promoted. This could be supported through policies that promote increased collaboration among firms in developing and developed countries.

202. The Conference affirms that adequate official bilateral and multilateral resources, as well as private resources, including private investment, are called for to finance appropriate diversification projects and programmes, as well as the promotion and development of resource-based industries, including commodity-related services activities, possibly through special facilities for these purposes. In this regard, the Conference welcomes the decision by the General Assembly in resolution 46/151 concerning support for the diversification of the African economies.

203. The Conference agrees that support should be directed to efforts aimed at institution-building, promotion of entrepreneurship, horizontal diversification and crop substitution, and increased participation in processing, marketing and distribution, including transportation, as well as efforts aimed at achieving a gradual reduction of excessive commodity dependency. It recognizes that increased coordination among donor-country Governments and international institutions is essential in this regard. Such coordination should avoid inconsistencies in advice and potential over-investment in particular sectors.

204. The Conference recognizes that commodity-related shortfalls in export earnings of developing countries are in varying degrees an important obstacle to their development efforts. In this regard, beneficiary countries welcome the compensatory financing mechanisms - namely the IMF-CCFF, the ACP-EEC STABEX and SYSMIN schemes of the Lomé Convention, the EEC scheme for non-ACP least developed countries and the Swiss scheme. The Conference invites other countries, which deem it appropriate, to consider introducing similar schemes and calls upon Governments and institutions to consider necessary improvements to existing mechanisms.

205. The Conference recognizes the importance of exploring new approaches to minimizing the risks arising from commodity market fluctuations. Where appropriate, developing countries should be provided with technical assistance and policy advice on mechanisms, such as the use of financial instruments, to manage price and other commodity-related risks.

206. The Conference recognizes that increased reliance on market forces to determine international commodity prices requires the efficient and transparent operation of price formation mechanisms. In particular, it is essential that both buyers and sellers have full confidence in the ability of commodity exchanges to form prices which reflect the basic supply/demand situation. In this regard, market manipulation, among other things, should be avoided.

(d) Common Fund for Commodities

207. The Conference welcomes the coming into force of the Common Fund for Commodities and its potential contribution to support international commodity cooperation. Maximum participation in the Common Fund is urged. The resources of the Common Fund for Commodities should be fully exploited. Arrears in the payment of subscriptions to the capital of the Common Fund could be an impediment to the achievement of its objectives and should be paid up as soon as possible. Resources of the Second Account of the Common Fund should be increased, particularly through the fulfilment of pledges of voluntary contributions, as soon as possible. Efforts for the elaboration and consideration of appropriate project proposals, including those for diversification, for financing through the Second Account should be speeded up. Every effort should be made to ensure that this Account becomes fully operational as soon as possible and benefits in particular the least developed countries and the commodities of interest to developing countries, particularly those of small producers-exporters.

(e) Sustainable development

208. The Conference recognizes that commodities, inasmuch as they are natural resources, are an important aspect of sustainable development. The following subjects could be pursued:

(a) The manner in which prices of natural commodities and their synthetic competitors could reflect environmental costs and resource values;

(b) The means by which the competitiveness of natural products with environmental advantages could be improved;

(c) The ways by which development of the commodity sector, including through diversification, and environmental concerns could be made mutually reinforcing;

(d) Additional international financial and technical support to developing countries for the development and dissemination of technologies to cope with environmental problems that are specific to commodity production and processing.

4. The role of UNCTAD

209. UNCTAD should remain the principal forum and continue its efforts to play its mandated role of facilitating the coordination of the activities of all bodies involved in the commodity field. This includes periodic and global

reviews on the situation of, and prospects for, commodities in order to be able to consider and recommend appropriate actions for consideration by Governments and institutions.

210. For the purpose of evolving an international commodity policy for the 1990s, the UNCTAD secretariat should, as soon as practicable after the Conference, undertake, on the basis of the guidelines provided in the preceding sections, a thorough review of the situation and prospects of the international commodity economy and policy, with a view to defining a possible course of action for submission to the Trade and Development Board.

211. The Conference reaffirms that UNCTAD should continue to assist in diversification as well as processing, marketing and distribution programmes, including the improvement of information flows to aid investment decisions, and technical cooperation projects and programmes, particularly for human resources development.

212. The Conference agrees that the problems of shortfalls in the commodity export earnings of developing countries arising from market fluctuations, as well as matters relating to compensatory financing of export-earnings shortfalls, including actions taken or which might address problems identified in this area, should be kept under continuous review in UNCTAD. The UNCTAD secretariat should follow developments in various compensatory financing schemes and their implications for the development of developing countries.

213. The UNCTAD secretariat should explore various mechanisms, including market-linked price-hedging mechanisms, such as commodity futures, options, swaps, and bonds, obstacles to their potential use, including sovereign risk and problems of creditworthiness, and modalities for overcoming such obstacles and should provide information and assistance in this regard. At the level of governmental and non-governmental experts, an examination should be undertaken in UNCTAD of: (a) the conditions, both technical and regulatory, for encouraging maximum participation in, and usage of, commodity exchanges by both buyers and sellers of commodities and (b) proposals to address these conditions. Such analysis and proposals would facilitate decisions by Governments and industry concerning appropriate action at national and international levels.

214. UNCTAD should systematically explore the links between commodity policies, use and management of natural resources and sustainable development and should provide information and technical cooperation in this regard.

215. UNCTAD should review national policies, with the aim of enhancing the competitiveness of the commodity sector and ensuring consistency with long-term market trends.

F. Follow-up of the Programme of Action for the Least Developed Countries for the 1990s

216. Particular attention needs to be paid to the reactivation and acceleration of growth and to sustained development in the least developed countries. The Programme of Action for the Least Developed Countries for the 1990s should be implemented fully, effectively and on a timely basis by

all parties. In the development partnership underlying the Programme of Action, the LDCs have the primary responsibility for elaborating and implementing effective strategies and policies for their growth and development, including policies for the eradication of poverty, and their development partners have accepted the responsibility for supporting these efforts.

217. Accordingly, all LDCs should continue to enhance the implementation of national policies and measures in line with the Programme of Action, including through macroeconomic policies conducive to long term, sustained growth and sustainable development, the promotion of individual initiative and broad-based popular participation in the development process, the enhancement of human and institutional capacities and the expansion and modernization of the economic base. Their development partners should effectively and expeditiously implement the commitments undertaken or the measures proposed in the Programme of Action in all areas of international support, including ODA, debt relief and external trade. The Conference reaffirms that efforts to provide financial assistance to the countries of Central and Eastern Europe will not diminish the commitments of the international community to implement effectively the Programme of Action.

218. The Conference reiterates that external financial support to complement domestic efforts and appropriate policies should be both sufficient in terms of volume and quality, and efficient in terms of allocation according to LDCs' individual development needs and priorities. It also reaffirms that a significant and substantial increase in the aggregate level of external support should be made available to the LDCs, taking into account those countries recently added to the list. In this context, the Conference takes note of the report of the Secretary-General of UNCTAD (TD/359). The donor countries reaffirm their determination to implement the commitments they have undertaken in the Programme of Action with regard to ODA to the 41 LDCs included in the list at the time of the 1990 Paris Conference. As far as concerns the consequences of the inclusion of six additional countries in the LDC list, at its spring 1992 session the Trade and Development Board should, when undertaking the review of progress in the implementation of the Programme of Action, consider the implications for appropriate adjustments for the commitments contained in the Programme in respect of targets and levels of ODA. The Governing Council of UNDP is also invited to consider adjusting the total allocation of IPFs to LDCs in the light of additions to the list of the LDCs. The call in the Programme of Action for increasing the resources of UNCDF by 20 per cent a year should also be appropriately adjusted.

219. Since the Second United Nations Conference on the Least Developed Countries in Paris in September 1990, a number of developments have taken place with adverse consequences for the development efforts of many LDCs. The Gulf war led to losses in export revenue and in receipts of remittances, to costs for the absorption of returning workers and to temporary increases in import costs. The changes in Eastern and Central Europe have led, in some cases, to losses of export markets, as well as of financial and technical assistance. While taking into account the measures which have already been taken, and while recognizing that these and other developments have affected LDCs to varying degrees, the Conference agrees that their overall impact calls for special attention.

220. The Conference thus has identified the following areas for priority action:

(a) For many LDCs, external debt problems continue to constitute one of the most serious constraints to their economic growth and development. With regard to debt owed to official bilateral creditors, the Conference welcomes the recent measures taken by the Paris Club with regard to more generous terms of relief to the poorest most indebted countries. The Conference welcomes ongoing efforts to implement these Trinidad terms measures in a manner commensurate with their payments capacity and in a way that gives additional support to the economic reform efforts of those countries. The Conference also welcomes the substantial bilateral debt reduction undertaken by some creditor countries and encourages others which are in a position to do so to take similar action. The Conference notes that many countries have responded to Trade and Development Board resolution 165 (S-IX) of 11 March 1978 by cancelling or providing equivalent relief for official development assistance debt. All donors which have not yet implemented such measures are urged to do so as a matter of priority.

(b) The Conference also urges the international community to consider undertaking the actions set out in the relevant paragraphs of section A of Part IV of this document to address LDCs' problems in the areas of multilateral debt, payment arrears and commercial debt.

(c) In the Uruguay Round of Multilateral Trade Negotiations, special attention should be given to the situation and particular problems of LDCs, including, among other measures, enhanced access for products of LDCs through the elimination where possible of tariff and non-tariff barriers, the fullest possible liberalization of trade in textiles and clothing for LDCs, possible modalities for special treatment for tropical products of special interest to LDCs, and advanced implementation of MFN concessions of particular interest to LDCs made by the contracting parties to the GATT.

(d) The Conference calls upon preference-giving countries to implement fully, as a matter of urgency, the relevant provisions of the Paris Declaration and Programme of Action in respect of GSP measures in favour of least developed countries and urges that special consideration be given to products of export interest to them, in particular the provision of duty-free access.

(e) In view of continued weaknesses in the markets for commodities which LDCs export, the international community should support LDCs' efforts towards diversification, increased processing and increased participation in the marketing of their products by providing adequate financial and technical assistance.

(f) The Conference recognizes that commodity-related shortfalls in export earnings of least developed countries are in varying degrees an important obstacle to their development efforts. In this regard, beneficiary countries welcome the compensatory financing mechanisms - namely the IMF-CCFF, the ACP-EEC STABEX and SYSMIN schemes of the Lomé Convention, the EEC scheme for non-ACP least developed countries and the Swiss scheme. The Conference invites other countries, which deem it appropriate, to consider introducing similar schemes and calls upon Governments and institutions to consider necessary improvements to existing mechanisms.

(g) The Conference welcomes the proposal for holding a symposium between the LDCs and the constituent States members of the CIS to discuss ways and means of promoting their economic cooperation.

221. Adequate humanitarian assistance should continue to be given to those LDCs facing acute problems arising from refugee flows, migration and population displacements caused by natural and man-made disasters.

222. Donor countries and relevant multilateral financial and development institutions should consider providing island and land-locked LDCs with adequate financial and technical assistance in the form of grants and concessional loans for the development, maintenance and improvement of their transit infrastructure and facilities.

223. With respect to commercial debt, UNCTAD should convene, in collaboration with relevant institutions, LDCs, donor countries, creditors and NGOs, an expert group meeting to review issues of commercial debt held by LDCs.

224. Continued adequate support should be given for ongoing policy reforms adopted by many LDCs to improve the climate for private foreign investment.

225. As recognized by the Second United Nations Conference on the Least Developed Countries, domestic instability in some LDCs has had adverse effects on their development. The end of the cold war and the progress recently achieved in the settlement of regional conflicts could provide opportunities for reducing such instability. The LDCs concerned should be encouraged to make determined efforts to create conditions for the reactivation of their development process. The international community should continue to provide effective support for the efforts of these countries in the rehabilitation and reconstruction of their economies.

226. The Conference stresses the importance of the monitoring, follow-up and review process as envisaged in the Programme of Action and reaffirms the role of UNCTAD and the Trade and Development Board in this process, as provided in the Programme of Action and subsequently by the United Nations General Assembly in resolution 45/206. It calls upon all Governments, UNCTAD and other organs, organizations and agencies of the United Nations system to make early and adequate preparations for an effective and comprehensive mid-term review of the Programme of Action in 1995. In pursuance of the request to the Secretary-General of the United Nations in General Assembly resolution 46/156 to obtain extra-budgetary resources to defray the cost of participation of one representative from each LDC at the annual review by the Board, the Conference strongly urges donor Governments and organizations to consider providing adequate resources for this purpose.

227. The problems of the LDCs should remain a priority topic in all relevant international forums. In this context, the forthcoming United Nations Conference on Environment and Development is invited to give special attention to the twin problems of poverty and degradation of the environment in the LDCs.

Part V

ECONOMIC COOPERATION AMONG DEVELOPING COUNTRIES

228. Stronger economic cooperation among developing countries (ECDC) has long been accepted as an important component of efforts to promote economic growth, technological capabilities and accelerated development in the developing world. It could enable developing countries to exploit more effectively the latent complementarities in their economies, promote a fuller and more effective mobilization of their resources, gain access to additional resources and knowledge, and enhance the negotiating weight necessary to advance their common interests.

229. The recent changes in the global political and economic environment have made the role of ECDC in any global strategy of development even more important. In the new context of market-oriented reforms and export-oriented growth strategies that are being pursued by most developing countries, ECDC should also be seen as a means of securing the integration of developing countries into the world economy and of increasing their capacity to produce, achieve economies of scale and become internationally competitive.

230. The optimism of the 1970s about the potential of ECDC was not borne out by the record of the 1980s. Integration groupings in all regions were confronted with difficult circumstances. Their institutional frameworks and cooperation mechanisms proved inadequate to meet the crisis which member countries experienced in their external sectors. The intra-trade of developing countries suffered a set-back, and payments, clearing and credit arrangements functioned at a low ebb. South-South trade and economic relations remain the weakest link in the network of international economic relations.

231. Even so, interest in political support for ECDC has remained undiminished in recent years, and integration processes at the regional and subregional level have received fresh impetus. Virtually every subregional and regional grouping has taken initiatives to improve its instruments of cooperation and to adapt them to the new realities. There is currently a stronger recognition of the link that should exist between national development policies and long-term integration objectives.

232. The expansion of trade, which is at the centre of cooperation efforts within groupings, depends vitally on the reduction of tariffs, the elimination of non-tariff barriers, the introduction of more transparent and simple customs procedures, macroeconomic policy coordination to ensure the needed convergence of national price trends and exchange-rate stability, and effective clearing and payments arrangements, as well as the improvement of physical infrastructure. Participants in regional and other cooperative arrangements among developing countries should intensify their efforts in all these areas.

233. At the interregional level, the GSTP Ministerial Meeting held in Tehran in the course of the Seventh Ministerial Meeting of the Group of 77, in preparation for UNCTAD VIII, adopted a Declaration launching the Second Round

of Negotiations under the Global System of Trade Preferences (GSTP) among Developing Countries. In this connection, the Meeting underlined the potential contribution of ECDC to the least developed countries' trade and development, particularly in view of the provision for special treatment for the least developed countries in the GSTP Agreement, and urged continued translation of the provision for special treatment into concrete beneficial measures in their favour.

234. Developing country groupings have intensified their search for international financial support for economic cooperation programmes and projects. While the implementation and strengthening of ECDC is primarily the responsibility of developing countries, the international community should play a significant role in ECDC success through its financial assistance, technical cooperation and other support for specific economic cooperation programmes and projects of individual interregional, regional and subregional integration groupings, as well as for regional infrastructural projects covering such areas as environment, communications and transport infrastructure, to complement the efforts of developing countries to strengthen South-South trade and economic relations.

235. The demands of structural adjustment should not divert attention from long-term integration objectives. Adjustment programmes financed from bilateral and multilateral sources should as far as possible take into account their impact on regional cooperation and integration. Likewise, the allocation of aid resources should support regional trade liberalization processes among developing countries. The international community, including especially the developed countries, should support the efforts of the regional and subregional groupings of developing countries to promote and encourage enterprise and entrepreneurship.

236. Advisory and other technical assistance services of the organizations of the United Nations system for ECDC activities should also be intensified. In this context, UNCTAD should play an important role in furthering subregional, regional and interregional economic cooperation and integration among developing countries.

237. Work on the main impediments and disincentives that adversely affect the expansion of trade among developing countries should be pursued, and the UNCTAD secretariat and intergovernmental machinery should examine the benefits to be derived by developing countries from reduction of trade barriers and improved policy coordination among them.

238. Removal of structural impediments and disincentives to trade among developing countries would enable their intra-trade to grow and realize its potential. These impediments relate to barriers of all kinds, lack of trade information, marketing networks, transport facilities and monetary and financial impediments. In the context of monetary and financial impediments, existing national and regional trade financing schemes perform an important role. However, their resource base and ability to extend medium- and long-term finance should continue to be strengthened. The UNCTAD secretariat is urged to continue to assist developing countries in their efforts to strengthen and develop their national finance mechanisms through, as

appropriate, studies, extension of expertise and technical assistance within its mandate. In this connection, UNDP and other funding institutions are invited to provide financial support to carry out such projects.

239. All countries and relevant institutions are invited to cooperate fully with the Secretary-General of UNCTAD in his consultations on the feasibility of establishing an interregional trade finance mechanism among developing countries, allowing enough time for all parties concerned to reach their conclusions and decisions on this matter.

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B. Other action by the Conference

1. WORLD COMMODITY CONFERENCE

The Conference recognizes that the prevalence of declining real prices for most commodities, that the continuing heavy dependence of developing countries in general on commodity exports for their foreign exchange earnings, and that distortions in commodity markets require a comprehensive analysis and a new and forward-looking approach.

It takes note of the proposal by Colombia to consider convening a world conference on commodities, which would bring together producers, consumers, marketing enterprises and other market actors and would be organized by UNCTAD, recognizing that such a conference could contribute to shaping a coherent international commodity strategy, which takes into account the specific problems of selected commodity sectors.

Accordingly, the Conference decides to invite the Secretary-General of UNCTAD to hold consultations on the question of a world conference on commodities. It requests, through the Trade and Development Board, the Standing Committee on Commodities to undertake a comprehensive analysis regarding commodity policy and explore new, market-oriented approaches to commodity policies. Such discussions should aim at finding ways and means for achieving a better functioning and enhanced transparancy of commodity markets, greater diversification of the commodity sector in developing economies within a macroeconomic framework that takes into consideration a country's economic structure, resource endowments, and market opportunities, and better management of natural resources which takes into account the necessities of sustainable development.

Subject to a positive outcome of the consultations of the Secretary-General of UNCTAD and of the deliberations in the Standing Committee on Commodities and both showing a large degree of common understanding about the desired results of such a conference, the Trade and Development Board should decide on an invitation to the General Assembly of the United Nations to convene a world conference on commodities under UNCTAD auspices.

2. MESSAGE FROM THE EIGHTH SESSION OF UNCTAD TO THE UNITED NATIONS CONFERENCE ON ENVIRONMENT AND DEVELOPMENT (UNCED)

The eighth session of UNCTAD, held at Cartagena, attaches high priority to an acceleration of development that is environmentally sound and sustainable. We seek to enhance the well-being of today's generations, while preserving the capacity of future generations to meet their own needs.

We welcome the holding of the United Nations Conference on Environment and Development (UNCED) in June, in Rio de Janeiro; the Conference integrates the two important concepts of environment and development in a comprehensive and dynamic manner, and we invite all participants to contribute to its success.

UNCTAD is uniquely placed within the United Nations system to undertake analysis and build consensus on relevant policies on the interrelated areas of trade and development and protection of the environment. The Conference stresses the steps that have already been taken to integrate the concept of sustainable development into all aspects of UNCTAD's activities. UNCTAD VIII has agreed that sustainable development will be one of the main orientations of the organization's activities. It has established objectives for the organization in the areas of environmental measures and trade rules; resources for environmental protection and development; environmentally-sound technologies; and natural resource management. It has also accorded poverty alleviation a prominent role in its future activities. These are important steps towards good national as well as international management of the earth's resources to the benefit of humankind.

A revitalized UNCTAD could contribute to the implementation of the action programmes to be adopted by UNCED in Rio de Janeiro. We stand ready to make any further adaptation of our intergovernmental structures that this might require.

C. Resolutions adopted by the Conference

170 (VIII). CREDENTIALS OF REPRESENTATIVES TO THE EIGHTH SESSION OF THE CONFERENCE

The United Nations Conference on Trade and Development,

Approves the report of the Credentials Committee.*

238th plenary meeting
24 February 1992

171 (VIII). EXPRESSION OF GRATITUDE TO THE GOVERNMENT AND PEOPLE OF THE REPUBLIC OF COLOMBIA

The United Nations Conference on Trade and Development,

Meeting at its eighth session at Cartagena de Indias at the invitation of the Government of the Republic of Colombia,

Deeply appreciative of the invitation to host the Conference and the immense and successful efforts made by the Government and people of Colombia in the preparation and organization of the Conference at Cartagena de Indias,

Noting with satisfaction the efficiency and thoroughness of the services placed at the disposal of the Conference at the Centro de Convenciones,

Noting also with gratitude the warm welcome and hospitality extended by the people and city of Cartagena de Indias to all participants at the Conference,

1. Notes with great satisfaction the valuable contribution made by the host Government to the forward-looking achievements of the Conference;

2. Expresses its sincere appreciation to the Government and people of Colombia for the generous hospitality and warm friendship accorded to the participants of the Conference;

3. Requests the President of the Conference to convey these sentiments to the President of the Republic of Colombia and, through him, to the people of Colombia.

239th plenary meeting
25 February 1992

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* The report of the Credentials Committee, circulated to the Conference in TD/363, is reproduced in annex VII.

Part Two

SUMMARY OF PROCEEDINGS

Part Two

SUMMARY OF PROCEEDINGS

I. GENERAL DEBATE

(Agenda item 7)

1. The general debate was opened at the 222nd plenary meeting of the Conference, on 10 February 1992, and was concluded at the 237th plenary meeting, on 21 February 1992. In the course of the general debate the Conference was addressed by heads of delegation of members of the Conference as well as by the executive heads or representatives of a number of regional commissions and specialized agencies of the United Nations and by heads of department of the United Nations Secretariat, representatives of intergovernmental bodies and observers for non-governmental organizations, and by other representatives and observers. 1/

A. Countries 2/

2. The representative of Afghanistan said that the 1980s had been characterized by a slowdown in world economic activity. For developing countries in general and least developed countries in particular, the 1980s had been a decade of crises, lost opportunities and disruption.

3. The policy of protectionism followed by developed countries, coupled with other problems, had affected the trading interests and the development process of the developing countries. The LDCs in particular had been severely affected, and their volume of trade had declined steeply. As a result, their debt burden had increased in alarming proportions and more than half of them were in a state of debt distress. Official development assistance had not been adequate to meet the challenges faced by developing countries in general and the LDCs in particular. Great hopes had been placed in the 1981 Substantial New Programme of Action (SNPA) for LDCs, but contrary to expectations, the main objectives of this Programme had not been achieved and the number of LDCs had increased from 31 in 1981 to 42 in 1990. In 1990, a second Programme of Action had been approved for the 1990s which included concrete measures for revitalizing development in LDCs. Afghanistan sincerely hoped that this Programme would be implemented.

4. UNCTAD had played and continued to play a significant role in mitigating the hardships faced by the developing countries. It was an important instrument of international cooperation for trade and development, particularly that of the developing countries. UNCTAD had acquired a clear comparative advantage as a major intergovernmental forum for initiating new ideas on development.

5. Additional resources should be provided to reduce LDCs' commercial debt. The international trade system was far from healthy, secure and equitable, and in its deliberations the Conference should take up the problems faced by LDCs in the field of international trade.

6. Technology held the potential promise for improvement in the quality and standard of life. The availability and distribution of the fruits of technological development to all countries was a crucial element in ensuring a healthy, secure and equitable world economy. The slowdown of technology flows to the developing countries was a matter of great concern. Technology was increasingly becoming a critical determinant of trade and development.

7. The services sectors, such as transport, communications, banking, insurance, health and education, had traditionally been important for the functioning of economies. There was an acute need for assistance on concessional terms for the development of a basic services infrastructure in the LDCs in particular.

8. The changing scenario in the world commodity economy had adversely affected the commodity-exporting developing countries in general and the LDCs in particular. The problem of depressed commodity prices had not received adequate attention from the international community. Due attention needed to be given to the commodity problems of the least developed countries and measures taken to check the unhealthy practice of depressing prices of exportable goods.

9. Afghanistan was faced with a difficult situation owing to the tragic and devastating effect of the prolonged conflict it had gone through. Thirteen years of civil war had completely destroyed most of the country's physical, social and economic infrastructure, uprooted millions of families and produced unparalleled human suffering and great economic and material losses. Afghanistan had taken a number of measures to accelerate private sector activity, and it was to be hoped that countries would take advantage of the investment climate in Afghanistan and come forward in setting up industries as independent entities or as joint ventures.

10. The representative of Algeria said that UNCTAD VIII was taking place in a time of profound change in international relations. The end of the cold war had opened the way to disarmament but had not done away with the preoccupations of the developing countries. The 1980s had ended with an increase in poverty and misery, especially in Africa. The scandal of the net negative transfer of resources from developing to developed countries had continued, and other negative factors - stagnation of ODA, reduction in private financial flows and investment, decline of commodity prices and growing protectionism - had greatly reduced the impact of the efforts of developing countries. The global savings shortage made it impossible to meet the needs of both the developing countries and the economies of Central and Eastern Europe in transition to market economies.

11. The efforts of the developing countries to find by themselves the means to overcome the crisis they were experiencing, and the heavy sacrifices which they had made, often with very heavy social costs, had not given rise to the anticipated results. The situation in Africa, which now accounted for more than two thirds of the least developed countries, was dramatic and was aggravated by natural disasters and an absence of action by the international community, particularly within the framework of UNPAEERD, to stop the decline.

12. External debt, and its service, was an untenable burden for the developing countries, preventing the rebirth of their economies. Although solutions had been proposed, especially for the least developed, they remained partial. The financial institutions should encourage and assist those countries which were making significant sacrifices to meet their commitments, often to the detriment of their internal stability. Solutions which were realistic and equitable for all parties had to be sought in common; Algeria therefore supported the proposal of the Secretary-General of the United Nations for an international conference on development finance.

13. Democracy and development were linked, but if democracy was a factor in development, development itself was a sine qua non for real democracy.

14. Algeria considered that UNCTAD was - given its mandate and universal membership - a privileged forum for treating questions of trade and development and for seeking agreed solutions to the problems of the world economy. UNCTAD should not be marginalized or weakened; rather, its capacities should be strengthened to promote genuine international cooperation, a more equitable participation of the developing countries in international trade and greater growth possibilities for them. UNCTAD should also incorporate the South-South dimension of international cooperation, for which it should become the privileged forum.

15. The representative of Argentina said that, in this period when problems were becoming global and the economy internationalized, the central question was to establish the rules of the game for a world order which would avoid discrimination or exclusion and stimulate the full participation of all countries in the rapidly unifying world economy which had emerged since the end of the cold war.

16. The challenges now facing UNCTAD - by which was meant the member countries and not the secretariat - were completely different from those of the past. There was a new international economic reality with four major elements. First, the end of the ideological-economic-military confrontation had not been accompanied by a similar change on the economic front; instead, the multilateral rules of the game had fallen into disarray, with a loss of interest in international economic cooperation, and there was a real threat of North-South tension in the future. Secondly, the accelerating process of economic globalization had entailed major difficulties for the consolidation of a truly just and equitable multilateral system based on universally accepted rules, for it was paradoxically accompanied by compartmentalization of trade relations. Thirdly, many developing countries were undergoing structural adjustment based on market-oriented principles and for the first time in history the impetus for trade liberalization was coming not from the industrialized countries but rather from those countries which had formerly rejected liberalization.

17. Fourthly, the debate on international economic relations was about ending the unfavourable treatment of developing countries, rather than on giving them specially favourable treatment. There had been growing protectionism in developed country markets via non-tariff barriers, subsidies and measures in the "grey area". Two critical sectors - agriculture and textiles - whose

liberalization would bring greatly increased exports to developing countries, had been excluded from multilateral trade discipline; Argentina therefore took satisfaction from the statement made at UNCTAD VIII by the German Minister for Economic Cooperation who had recognized that the agricultural production and export subsidies of industrial countries contravened their international responsibilities.

18. In recent years, there had been a growing convergence of views on what constituted appropriate political and economic policies. Argentina provided a clear example of these changes in perception. The Government had adopted a radical change of policy directed towards achieving a fully competitive economy with a minimum of State intervention. Trade had been unilaterally liberalized; barriers to investment dismantled; intellectual property protected; State enterprises privatized; economic activities deregulated; and the public sector redimensioned. Regional economic integration (MERCOSUR) formed an integral part of this new policy.

19. Argentina believed that a new international economic order should be founded on the principle of partnership in which all parties had both rights and obligations and all could participate in the management of basic agreements to harmonize national policies with the objective of achieving sustainable development in all countries. This required that all countries agreed to end unilateralism and discrimination.

20. UNCTAD needed to be revitalized. The focus of its work had to be balanced and realistic. It was also necessary to move away from the concept that some countries asked and others gave. UNCTAD's work should be based on analysis, discussion and real, rather than merely semantic, negotiation on the complex agenda of development. The countries of Latin America and the Caribbean could enrich this debate with their own experiences. The Conference needed to identify, within each of the major themes under consideration, concrete issues which would serve as a focus for immediate action by UNCTAD. UNCTAD, as a universal forum for the consideration of development problems, in no way duplicated or interfered with the clear and specific competences of other, more specialized, executive organizations.

21. The representative of Australia stated that the promotion of liberalized trade and investment flows provided the best basis on which to achieve economic development and to strengthen mutually beneficial integration into the global economy. The experience of the former centrally planned economies had demonstrated the benefits of open economies and the need to ensure individual participation in economic activities at the broadest possible levels, with Governments adopting policy measures to foster and promote these conditions.

22. The central issue for Australia at UNCTAD VIII was the revitalization of UNCTAD itself, which required institutional reform in its structure and working methods. UNCTAD should facilitate the United Nation's role in promoting enhanced cooperation on global economic growth and development. UNCTAD was not being singled out: the United Nations system as a whole needed to be made more effective, efficient and accountable. It was necessary to take and implement decisions on the necessary reforms at the earliest possible moment.

23. Australia wished to emphasize the importance of trade liberalization and market access for economic growth and development in all countries. For that reason, it wholeheartedly supported an early and successful conclusion to the Uruguay Round on the basis of the "Draft Final Act". The GATT framework was the only real defence against aggressive trading practices by major trading nations, and its dispute settlement processes the only avenue of recourse. The Conference should therefore look at mechanisms through which UNCTAD could complement the work of GATT.

24. To this end, UNCTAD should enhance its analytical functions and thus reinforce its capacities as a forum for informed discussion on trade and related issues. So doing would maximize the opportunities for a consensus to emerge within UNCTAD on the need to pursue programmes of action and the involvement of UNCTAD in specific issues. Work by UNCTAD as a complement to other institutions could offer members a more extensive range of approaches to deal with specific trade, economic and development policy objectives.

25. Commodities - an area where UNCTAD could be more productively engaged - played a significant role in the development of Australia's economy such that the country shared a common perspective with many developing countries. Australia emphasized the importance, for all commodity exporters, of the liberalization of world agricultural trade through improved market access, reduced domestic support and substantially reduced export subsidies. Many developing countries were also commodity importers; thus such liberalized trading arrangements would provide them with economic benefits in the same way as for developed economies. Australia viewed very positively the fact that international commodity agreements were now almost all concerned primarily with market transparency and information exchange: efforts to "buck the market" had inevitably proved futile and counter-productive.

26. Australia was heartened by the attention given by developing countries to market-opening measures, the promotion of private-sector activity and entrepreneurship. When the global economy had emerged from the current recession, there could well be a useful role for UNCTAD in reinforcing efforts by developing countries to implement policy and practical measures through the provision of technical assistance.

27. Australia had been an active participant in a number of cross-group coalitions and had been a beneficiary of such active cooperation among countries at different levels of development; it was thus encouraged by the growing consensus to move away from the rigid group structures of UNCTAD. The Cairns Group - 10 of whose 14 members were developing countries - provided a very good example of cooperation which proved much more productive than the traditional North-South debate. The Asia-Pacific Economic Cooperation Conference was another such example. Australia believed that cooperative associations of this kind were a model for that cooperation between nations which is required to build the new partnership for development sought at UNCTAD VIII, a partnership laying the foundation for the revitalization of UNCTAD that Australia so earnestly desired.

28. The representative of Austria said that if institutional change in UNCTAD was already under way, much still remained to be accomplished, and that this session of the Conference was the right occasion for action. UNCTAD should

again become a pioneer in development thinking. Good institutions were created in response to deeply felt needs; they remained alive only if they succeeded in adapting constantly to the changing environment. Strong analytical qualities were needed in order to get a better understanding of the forces at work in the process of development.

29. Experience had shown that development was possible under a variety of conditions and parameters. While it had taken the United Kingdom 58 years and the United States 47 years to double their output per capita, Japan had needed only 34, Brazil 18, Indonesia 17, the Republic of Korea, 11 and China 10 years to do the same. The acceleration of development and technological progress was determined by the absorption capacity of the society concerned which, in turn, depended to a large extent on appropriate policies. In-flows of foreign direct investment, the creation of an adequate infrastructure and a good educational system, the promotion of private initiative and an efficient financial system, all played an important role. The creation of an environment propitious to economic growth and human development should thus be the prime concern of Governments, although the importance of external conditions should not be underestimated. Trade was one of the major driving forces of development, hence bringing the Uruguay Round to a successful conclusion was essential. Likewise developing countries should have better access to the markets of industrialized countries. More debt relief and an increased flow of official development assistance and commercial investment were also necessary.

30. North-South relations were changing, both in form and in content. Because of a new pragmatic approach to economic policy, sterile ideological confrontation could now be replaced by constructive common efforts. Pluralism was another feature of the new North-South context. With the disappearance of the East-West conflict, the notion of a "Third World" needed to be revised as well. The focus must shift from abstractions, such as "the Third World", to specific countries and regions with their specific, and frequently divergent, needs and interests.

31. Issues such as migration, environment, disarmament, democratization or protection of human rights had become an integral part of North-South relations. Economic growth, security, population policies, form of government, legal systems, environmental problems and many other aspects were inseparably linked in the development process.

32. Global interdependence therefore meant not only interdependence of issues but also shared responsibility among the countries of the world. It needed to be accompanied by the gradual strengthening of institutional links at a global level. The ultimate goal was a consensual transfer to international institutions of responsibilities in well-defined areas of competence. Governments would be willing to do so only if they had full confidence in these institutions and this, in turn, presupposed a basic agreement on the imperatives of interdependence. Thus, at the present stage, nothing was more important than to reach agreement on the optimal policies for development and to arrive at firm commitments based on the conviction that North-South relations were not a zero sum game: all countries would gain from working together and would lose if their policies were guided by what was wrongly conceived as national interests.

33. The representative of Bahrain emphasized that his country, like most developing countries, depended on one single commodity, namely petroleum, as a source of its income. However, the Government of Bahrain had made, and continued to make, serious efforts to diversify its sources of income, in particular on the basis of monetary, financial and insurance services. As a result, Bahrain had become an important world financial centre.

34. The liberal economic policy pursued by Bahrain encouraged foreign private investment, inter alia through simplified and accelerated administrative procedures and the possibility for foreign capital to be invested in industry without the need for association with a local partner. The Government had endeavoured to complete most of the necessary economic and commercial regulations, including those relating to the protection of foreign investment and intellectual and industrial property rights.

35. Bahrain was making every effort to complete its basic infrastructure. Bahrain had a modern network of transport and communications linked to the countries of the Gulf Co-operation Council (GCC) and to the rest of the world and it had started to build a huge modern port which would soon be completed. Recently, his country had opened a large new conference and exhibition centre. It had also ratified the 1958 New York Agreement relating to the acceptance and implementation of international arbitration decisions taken in foreign countries.

36. Despite all the above positive economic factors, Bahrain continued to be a developing country still depending on its modest production of oil for a major share of its export earnings and for the largest part of the financial receipts of the State. Its industries were still at the infant stage and could not compete with the giant industries in developed countries and economic groupings, nor could they overcome the trade barriers they faced in developed countries.

37. Protectionist measures in major market-economy countries concerned particularly those sectors in which developing countries clearly enjoyed a comparative advantage and a competitive position, for example the petrochemical sectors of the countries of the GCC. Some developed countries were seriously thinking of imposing heavy duties on their imports of raw petroleum at a time when Bahrain and the rest of the GCC countries were making every effort to liberalize trade between them and the EEC and were holding exploratory discussions with a view to starting formal negotiations aimed at liberalizing trade with the United States and Japan.

38. Bahrain hoped that UNCTAD VIII would lead to strengthened national and international measures and multilateral cooperation aiming at building a healthy, secure and equitable world economy, as well as a common assessment of the impact of long-term structural change on sustainable development and the expansion of international trade within an interdependent world economy. It also hoped that the Conference would reach a common understanding and establish guidelines relating to national and international policies and measures and good management.

39. While welcoming the ongoing fundamental change in countries of the Eastern bloc towards a market economy, Bahrain hoped that developed countries would maintain a balance between their development assistance to developing countries and countries of the former Eastern bloc and would not increase their development assistance to one group at the expense of the other. It also hoped that financial resources that would become available with the end of the cold war could be devoted to the development of developing countries.

40. Bahrain considered it imperative to reach fundamental solutions to the debt problem and to adopt measures to ensure fair prices for commodities, to improve access to technology, and to implement the programme of action in favour of the least developed countries agreed in Paris in September 1990.

41. As an island developing country, Bahrain felt that the international community and the United Nations agencies, in particular UNCTAD, should undertake the necessary steps to help these countries achieve self-sufficiency.

42. The environment should receive the attention it deserved. Excessive exploitation of natural resources and the deterioration of the environment, at the expense of future generations, should be arrested. This required external financial support on a large scale from developed countries to allow developing countries to adopt environmentally-friendly technologies. Bahrain hoped that international efforts would not be spared in solving the enormous problems created by the environmental catastrophe which affected the Gulf region as a result of the massive oil spill and the burning of the Kuwaiti oil wells.

43. The representative of Bangladesh said that the world today was passing through a period of global economic and political change, and a consensus was emerging on various development issues, including acceptance of market-based approaches to sustainable development. At the same time, however, protectionist practices were increasing, for example in the form of restrictive measures against imports of textile and clothing from developing countries.

44. Although developing countries had the primary responsibility for their development, they could not control the external environment, which had sharply deteriorated. In the light of the negative transfer of resources and the deteriorating terms of trade, UNCTAD VIII provided a timely opportunity to devise strategies for revitalizing development. Increased official development assistance in line with internationally agreed targets, an alleviation of the debt burden and support for the building of technological infrastructure were essential in this respect. Moreover, negative impacts resulting from the brain drain needed to be alleviated.

45. Greater support was required for the full implementation of the Programme of Action adopted at the Second United Nations Conference on LDCs, since the commitments undertaken at the Conference had not been fully met. The statements made by the LDCs' development partners at UNCTAD VIII reconfirming those commitments were encouraging.

46. Economic cooperation among developing countries had gained even greater relevance. Despite various set-backs in the promotion of South-South cooperation, the zeal for ECDC had not been undermined, and new efforts were

required, for example with regard to clearing and payments arrangements. The international community should support the relevant progammes and projects.

47. Although there was a perception that UNCTAD's effectiveness as a forum for multilateral negotiations had been on the wane, its mandate was still valid. A strengthened UNCTAD should provide an improved forum for international consensus-building. Effective surveillance and follow-up mechanisms needed to be established to achieve concrete actions, while maintaining UNCTAD's role as a voice of conscience.

48. The challenge of the 1990s in the area of commodities was to improve market access, increase value-added activities in processing, marketing and distribution, and support the Common Fund for Commodities. With respect to the Uruguay Round, preliminary evaluations indicated that there was a need to take better account of the concerns of LDCs.

49. Environment and human survival were closely interlinked, and ecological threats must be dealt with urgently. However, it must be acknowledged that policies in developing countries were dictated primarily by the need to combat poverty and there was real concern that environmental criteria set by donors would introduce a new form of conditionality. The forthcoming Earth Summit should address these problems, and particular attention must to be paid to the environmental and developmental problems of LDCs.

50. The representative of Belarus emphasized the urgency of reinforcing the principle of multilateralism in trade and development and of strengthening relevant mechanisms of the United Nations system. The proposals enunciated by the Secretary-General of UNCTAD for a new approach to trade and development problems at a time of unprecedented global change held great interest. International monetary and financial institutions, economic organizations and other multilateral forums were concerned with the radical reform process in Central and Eastern Europe, including that among members of the Commonwealth of Independent States (CIS). Since their integration into the European and world economy was important, international institutions should assist them in their reforms.

51. With regard to reform in Belarus, there had been a gradual shift to a market economy, based in particular on the preservation of existing economic relations with States members of CIS. The legal basis for international trade and economic cooperation was being elaborated. This included legislative acts on foreign trade, foreign investment, customs and banking systems, etc. This legislation had benefited from international expertise aimed at ensuring its compatibility with international practice. Belarus was interested in obtaining further international support and assistance, covering, among others, such areas as finance, investment, managerial experience, privatization, joint ventures, environmentally-sound technologies, etc.

52. UNCTAD had an important role to play in the analysis of problems related to the interdependence of national economies, and of trade, monetary and financial sectors. This United Nations organ still held potential, particularly in view of the new global economic consensus. In this context, UNCTAD should be more active in elaborating conceptual ideas related to trade and development, as well as in forecasting world economic and trade trends, in

particular by identifying at an early stage negative trends then designing efficient ways and means to counter them. UNCTAD's function in supporting countries in Central and Eastern Europe and in studying issues related to the conversion of military production to development was vital.

53. Sustainable development was another area for UNCTAD activities; there was a particular need for multilateral cooperation on the environment. Environmental issues held special significance for Belarus, given the consequences of the Chernobyl catastrophe.

54. UNCTAD obviously had a further role to play in such areas as external debt problems, instability of monetary and financial relations, protectionism, structural adjustment and commodities, as well as the impact of regional integration movements on trade flows.

55. The representative of Belgium said that his country subscribed to the position previously set out by the representative of the European Community. There were, however, five points to which Belgium attached particular importance. The first of these was interdependence. The developed countries affected the rest of the world through their general economic situation, their trade, their investments, their interest rates and their exchange rates; but the developing countries did likewise, particularly as regards the weight of their population, labour migration, primary commodities and environment. There had been a sharp diversification among developing countries in the last decade, and the countries of Central and Eastern Europe were undergoing a fundamental mutation; all this made the future more complex and uncertain. It was now clear, however, that economic problems could not be solved if their social and political aspects were neglected, just as it was clear that the management of natural resources and the safeguarding of the environment required a long-term, global perspective.

56. Second, the coherence of policies in both the North and the South was essential: there needed to be better coordination between public and private donors, the conditions attached to aid needed to take into account the primary importance of the social aspects of such aid, the participation of developing countries in international coordination needed to be strengthened, and efforts to achieve free trade needed to cover both the South and the North.

57. Third, it was necessary to take into account certain new themes in the implementation of development policies. These included the fact that the results of aid given were too often inadequate, that there was need for greater citizen participation in the formulation of development policies, that the promotion of the role of women would help development, that small and medium-scale enterprises were a key to capturing the benefits of individual initiative, and that meeting the real needs of the people had to be the central objective of development policies.

58. Fourth, the international debt problem remained a real obstacle to the recovery of growth in many countries. There had recently been a number of initiatives in this regard, but each case had to be analysed on its own merits, and any debt relief measures had to be accompanied by adjustment measures in the beneficiary country. Adjustment programmes had, however, to be bearable, particularly for the poorest sectors, export credit and bank

credit had to be restored as rapidly as possible to debtor countries making real efforts, and the shares of budgets devoted to armaments and to economic and social development had to be kept under close scrutiny.

59. Finally, the future of UNCTAD had to be seen in the context of the strengthening of international cooperation towards more rational and equitable world management. The restructuring of the United Nations in the economic and social areas was an occasion for the re-evaluation of UNCTAD and the improvement of its efficacity. UNCTAD's activities needed to be oriented towards the heart of the development problem, and especially national development policies in all their aspects. Belgium hoped that UNCTAD would in future emphasize the creation of ad hoc working groups which would enable all social partners to discuss together appropriate solutions and take relevant decisions; Belgium had long experience in this area and could actively contribute to it. Belgium also hoped that UNCTAD would learn from the methods of information, reflection, dialogue and cooperation which were practised in the OECD.

60. The representative of Bhutan said that the existing opportunities for global peace and security could be threatened if urgent attention was not given to reducing the gap between rich and poor countries. The expected peace dividend should be used to invest in social sectors and for development assistance. While the primacy of the market mechanism and free trade had been fully established, there were increasing tendencies towards protectionism and regionalism in international trade. All countries should give preferential treatment to exports of LDCs, including fellow LDCs.

61. In the area of commodities, the constant monitoring of market trends would not bring the required benefits in the short run. A broader and more generous approach was needed, and mechanisms such as the Common Fund and STABEX must be maintained and strengthened.

62. The question of debt still required a comprehensive solution. Bhutan was grateful to those countries which were implementing debt relief programmes, and it urged others to do so. As regards meeting credit requirements, Bhutan proposed that much of the assistance should be on a grant basis. Only after this option was totally exhausted should credit on concessional terms be resorted to. The rigid categorization of the uses that could be made of grants and concessional credit and the uses that could be made of commercial credit should be removed. A project's development value should determine eligibility for assistance.

63. The transfer of technology and know-how was the cornerstone of development. Intellectual property rights should be respected, but wisdom had to be shared and knowledge applied in the service of humanity.

64. Bhutan considered that the objective of the United Nations Conference on Environment and Development in Rio should be to arrive at substantive ways of sharing and assigning responsibilities. Bhutan had fully recognized the interaction and increasing trade-off between environment and development and had accorded the highest priority to maintaining the natural and social environment, foregoing many economic opportunities in the process. The success of such a commitment was also dependent on an active conservation

programme, the requirements of which were beyond Bhutan's means. The Bhutan Environmental Trust Fund had been launched in partnership with UNDP and the World Wildlife Fund, but greater support was needed.

65. Bhutan welcomed the increasing focus on human development. The primary index of economic progress was the well-being of the individual within stable family, social and natural environments. This new focus must not be translated into new modalities adding further complexity to aid disbursements. Bhutan, grateful that UNCTAD VIII had held a special meeting dedicated to the LDCs, underlined the dire situation of the LDCs and the need for early attainment of the targets agreed in the Programme of Action. Bhutan had always taken full responsibility for its own development and would continue to do so, but the constant goodwill and generous support of its development partners was necessary. Bhutan was grateful for what its partners had done in the past.

66. The multilateral development agencies and financial institutions had a larger impact in smaller developing countries. In this context, Bhutan was concerned at the declining financial support that various multilateral organizations were receiving. Their expertise and specialized services were essential and, for the time being, irreplaceable. Together they made up a significant portion of the total assistance that Bhutan received.

67. This was also a time of change and reform in the United Nations, and the opportunity for increasing the relevance of UNCTAD had to be seized. UNCTAD's mandate for development should be given renewed impetus, and its important work with regard to LDCs must be continued.

68. Since Bhutan had first initiated development activities in the 1960s, major changes had taken place in both the economic and the social sectors. Several economic activities had been privatized. The primary focus of future plans was on human resource development, including education and health, as well as on energy and industries.

69. The representative of Bolivia said that, in the new era which was being made possible by recent events, UNCTAD had an important role to play in efforts aimed at allowing humans to live with dignity, in harmony with nature, and in a world of stability, peace and justice. It had to establish efficient and equitable mechanisms to help accelerate the economic development and international trade of developing countries. These mechanisms should also set medium- and long-term targets and goals.

70. The new era would have to be one of shared responsibility. Developed countries were called upon to exercise a major role, providing technology and financial support to developing countries. Developing countries in turn also had a tremendous responsibility, it being recognized that part of their backwardness resulted from a combination of internal and external factors. He stressed his confidence in the developing countries' capacity to reverse negative tendencies by applying more stable policies and more adequate resource management.

71. In an increasingly homogeneous world, in which the ideals of democracy, a spirit of free enterprise and respect for human rights predominated, interdependence was fundamental. Expressed through cooperation, such interdependence could assist in the following: first, it could lead to the successful conclusion of the multilateral negotiations of the Uruguay Round. The continuous growth of trade was crucial to developing countries' economies. If tariff barriers were reduced, the global economy could expand to benefit countries like Bolivia, which depended on resources in support of its structural adjustment programme, particularly to meet social needs. Second, through the provision of fresh financial resources under acceptable conditions, it could assist developing countries in creating the basic infrastructure and improve housing, health, sanitary and educational services. Third, it could assist in conserving and protecting the environment, through the use of appropriate technologies to guarantee sustained development and preserve the common heritage for future generations.

72. The situation of Bolivia called for comment. His country's adjustment programme had been initiated in 1985. Coherent economic policies, strict control of fiscal deficit, and disciplined monetary policies had in 1991 produced an inflation rate of 14 per cent, the lowest in Latin America, and a growth rate of 4.5 per cent, which was much higher than the demographic growth rate, estimated at 2.7 per cent. These results had, however, had social impacts.

73. Bolivia had also applied an appropriate legal framework aimed at generating a climate of confidence and attracting foreign investment. Of particular relevance were the new Law on Investment, which provided for equal treatment for national and foreign capital; the new Law on Hydrocarbons, which provided possibilities for joint ventures and exploring and exploiting new gas and oil fields; and the new Mining Law, aimed at developing the enormous potential of mineral resources, for which investments and technology for commercial exploitation were required. Legislation in these areas aimed at providing a framework suitable to private investment and to growth and development.

74. Bolivia intended to diminish the role of the State in 1992 through a vast programme of privatization, to include the main State enterprises. The role of the State should be limited to health, education and basic social services. The process of privatization in Bolivia had the support of the National Congress and of important economic sectors, various national entities and groupings. The main task remaining concerned the social field, which was fundamental if Bolivia was to be ready to enter the twenty-first century. For these purposes Bolivia hoped to receive capital on concessional terms.

75. In conclusion, he stressed the critical importance of an adequate international economic and social environment and of assistance by the international community in support of the socio-economic efforts being undertaken by developing countries.

76. The representative of Brazil said that the events of the past few years constituted one of the greatest peaceful transformations of the international system of all time. Democracy implied greater scope for creativity, the possibility for everyone to be heard, and assurance against irresponsible adventures of rulers. On the other hand, it also made problems transparent.

In the case of developing countries, demands for the most basic social benefits of development amounted to a legitimate but formidable daily pressure on Governments, as widespread poverty was incompatible with democracy. It was crucial to avoid the East-West division of the world being replaced by an insurmountable barrier separating the rich from the poor nations. Such a world order would be inherently unstable and unsafe. Having mitigated the scourge of war, it was now time to combat the scourge of poverty.

77. Much progress had been made in 1991 in restoring UNCTAD's credibility. The initially timid ideas on institutional reform had evolved into a set of new concepts on the functioning of UNCTAD. It was now for the Conference to consolidate this move towards change and to launch a new phase in UNCTAD's history. Economic and social development through multilateral cooperation must be the essence of UNCTAD's work. UNCTAD needed to be re-established as a generator of innovative ideas on international cooperation for development.

78. The new partnership for development should be based on the understanding that negotiations and the eventual adoption of decisions on specific issues were the natural end-result of gradual consensus-building. The Brazilian Government fully endorsed the determination, shown by the Group of 77 in Tehran, to overcome blind confrontation and to engage in constructive dialogue. Human beings must be the aim and the parameter, the builders and the beneficiaries of any developmental process - not the power of the State, not the economy, domestic or international, not GNP. Therefore, increasing attention should be focused on the social aspects of development. In order to avoid the process of growth in a heterogeneous economy leading to ever-greater social asymmetry, with the marginalization of large segments of the population, special attention must be given in national efforts to spreading the social benefits of development. Health and education were not consequences of development, but necessary preconditions.

79. The burden of the adjustment process that followed the debt crisis had fallen mostly on the debtor countries' population, but it had also fallen heavily on States, sometimes in a chaotic manner, destroying much of their capacity to plan and act. As a consequence, developing countries' Governments not only were unable to sustain previous models of development, but had also lost their ability to carry out stabilization policies, provide a basic framework of rules for the economy and act in the social sphere, actions which were essential State responsibilities to guarantee the blossoming of a market-based economy.

80. International cooperation had to play an important role in the area of social development. The pursuance of human-centred economic development should also be central in the treatment of environmental issues. It was essential that the concept of sustainable development take into account the realities and necessities of the populations directly involved.

81. While the imposition of environmental standards and recourse to allegedly environmentally-guided unilateral trade restrictions might produce a few results in the short run, such measures would definitively undermine prospects for genuine international cooperation to address environmental problems. The Rio Conference, to be held in the month of June, was an appropriate forum to deal with these and related issues.

82. Finally, UNCTAD VIII represented an opportunity to rebuild. Brazil was ready and willing to do its part. But it was not prepared to go along with final decisions that either rendered UNCTAD totally irrelevant to its development aspirations or, worse still, attempted to steer the organization away from its development vocation.

83. The representative of Bulgaria said that the end of the cold war, the overcoming of the ideological confrontation, the profound political transformations in Central and Eastern Europe and the necessity of these countries' integration into the world economy were opening new avenues for UNCTAD to contribute to the establishment of international relations which served equitably the interests of all countries. This was in line with the general restructuring process of the socio-economic activities of the United Nations system. The changes in Central and Eastern Europe would lead to a strengthening of international cooperation and would contribute to world economic development.

84. The developments in Bulgaria confirmed the irreversible nature of the changes that had taken place and the consolidation of the democratic process. The Bulgarian people had committed itself to the universal values of democracy and pluralism. Radical economic reform was under way with a view to the elaboration of the legal foundations of a market economy. Legislative measures had already been adopted for the de-monopolization of industry, free and fair competition, trade regulation, reorganization of the banking system, foreign investment regimes, etc. Considerable difficulties were being encountered, but there was a broad national consensus that there was no alternative to the transition to a genuine market economy.

85. Accordingly, Bulgaria's relations with developing countries would be increasingly built on market principles in line with the new spirit of partnership which had been gaining ground since UNCTAD VII. Despite its serious difficulties, Bulgaria would continue to grant preferential tariff treatment to imports from developing countries.

86. UNCTAD was one of the important universal bodies in the United Nations system, but it needed to be reformed and restructured into a modern, efficient organization able to respond to the requirements of the contemporary world and to the interests of all countries. UNCTAD's mandate on relations between countries with different economic and social systems had lost its relevance and needed to be brought into conformity with changing realities in Central and Eastern Europe. Bulgaria considered that UNCTAD's three basic functions retained their validity, but that it was particularly important to strengthen its research, analysis and technical assistance activities. Studies on the social and economic problems encountered by economies in transition, on the conversion of military potentials to civilian use and on privatization would be welcome.

87. The working process in UNCTAD needed to be changed substantially. Final decisions on issues should be taken only after a broad general consensus had been reached. UNCTAD needed to profit from the experience of other international organizations by establishing efficient follow-up mechanisms to control the execution of its decisions. It was also necessary to reform UNCTAD's institutional framework in order to achieve greater efficiency and overcome the rigidity and irrelevance of the present one.

88. For the establishment of stable, predictable and equitable economic development and growth, good management at the national level was of paramount importance. At the international level, one of the most essential prerequisites for sound economic development was the establishment of an open, secure and non-discriminatory trading system. The conclusion of the Uruguay Round would be a substantial step in that direction. That was why Bulgaria attached primary importance to its negotiations for accession to GATT and association with EC and EFTA.

89. Bulgaria was concerned that foreign indebtedness seriously hampered the development of international economic relations, and it favoured a solution to this problem which took into consideration the interests of both debtor and creditor countries whilst not jeopardizing the revitalization of economic growth and development. The inseparability of the link between the problems of indebtedness and development required UNCTAD to give much attention to this subject.

90. UNCTAD should also pay particular attention to the question of making economic growth and environmental protection mutually supportive. The primary responsibility lay with the Governments of the individual countries concerned, but the material, technological and financial support provided by developed countries would to a large extent determine the success or failure of efforts to preserve the environment for present and future generations.

91. The representative of Burkina Faso stated that the Eighth Session of the United Nations Conference on Trade and Development took place at a critical juncture of the world economy. A recent international crisis had ended, involving tremendous human and financial losses. Countries which had a central economic system were undergoing profound economic and political transformation. Finally, large trading spaces were being created. These events would have several effects on international relations in the short and long term. Some were predictable, but others were not and this was a source of concern.

92. Being a Sahelian land-locked country, Burkina Faso was subject to drought, climatic vagaries, limited water supplies, a continuous deterioration of its productive resources and desertification. However, during the 1980s, despite political and social upheavals, Burkina Faso's economic growth had been relatively satisfactory, owing to the performance of the rural and handicraft sectors. However, shortages of resources and an unfavourable external environment had undermined its macro-economic equilibrium and reversed the development process. In 1990, the Government had implemented a structural adjustment programme with the support of the World Bank.

93. Changes in the international economy mentioned earlier could threaten the success of Burkina Faso's structural adjustment programme. For this reason, it was to be hoped that a real exchange of views would take place on items on the Conference agenda. The debt problem should be approached on the basis of exclusively economic criteria. Resource transfer for development purposes or in the context of structural adjustment programmes should be adequate in order to help achieve the objectives previously laid down.

94. International trade had always played a crucial role in the development process of Burkina Faso. However, trade had not provided the expected resources. The country strongly supported all initiatives to strengthen international trade, taking into account interlinkages between development, money and environment.

95. Commodities were the principal source of development finance for Burkina Faso. A number of concrete measures had been adopted in the framework of UNCTAD with a view to increasing the contribution of the commodity sector to the growth of developing countries. These measures should be reinforced and readjusted in the light of new requirements of developing countries. The country thus strongly supported negotiations on market access, horizontal diversification and increases in compensatory finance.

96. On the question of structural adjustment programmes, their implementation in Burkina Faso had revealed the inadequacy of standard measures. Such countries had a predominant informal and unorganized sector, which fell outside the scope of institutions and mechanisms defined in the programmes. The industrial sector, which had been set up in the midst of economic difficulties, was meeting serious obstacles in international markets which were controlled by multinational companies. Moreover, economic reforms required vigorous and painful measures in terms of cuts in staff, cuts in public expenditure, and suppression of enterprises while at the same time fundamental democratic rights had to be guaranteed. Development partners should pay due account to the complexities of this situation.

97. The representative of Cameroon said that the former East-West political bipolarization had given way to a North-South economic one in which developing countries had been marginalized. Ideological antagonisms had led the Bretton Woods economic order to an impasse. The failure of international economic cooperation in the 1980s had resulted in the denial of the notion of interdependence and had widened the gap between industrialized and developing countries.

98. The new global economic framework, characterized by large economic groupings and the integration of Central and Eastern European countries into the world economy, was a legitimate cause for concern, in spite of assurances from traditional donor countries. The challenge facing the international community was to reactivate growth. In developing countries, that required a reversal of financial flows, while it also implied adjustment in both North and South. The industrialized countries held the key to the situation. The economic crisis of the 1980s had had not only negative effects; it had also taught many countries to take responsibility for their own development. In that regard, Cameroon was resolutely committed to the process of economic liberalization and democracy. The effective implementation of those measures would require social stability and a sound and durable economic situation. Democracy was a delicate mechanism which could easily "derail" and come to a sudden halt. Consequently the international community should devise an appropriate mechanism for financing the resultant cost of this likely derailment.

99. One of the main tasks confronting Cameroon was the active search for a solution to the commodity problem. The commodity sector had assured the bulk of Cameroon's export earnings and was the best guarantee for the honouring of its debt service obligations. Concerning resources for development, he deplored the fact that the target of 0.7 per cent of GNP for ODA, established since 1970, had not been met by many industrialized countries. Private investment had dried up, and there was an urgent need to find a global solution to the financial needs of developing countries. Cameroon supported the proposal by the Secretary-General of the United Nations to organize a conference on development finance.

100. Concerning the forthcoming UNCED, Cameroon would support decisions which might be taken in favour of sustainable development, the fight against poverty and a more equitable sharing of wealth. With respect to the Uruguay Round, he expressed the hope that it would result in a satisfactory and equitable outcome, including better market access for exports from developing countries.

101. As regards institutional matters, Cameroon supported UNCTAD as a veritable instrument for international development which should continue to examine matters concerning the interaction and interdependence of trade and development. UNCTAD should, however, be reformed and revitalized, in line with the ongoing reform of similar organs in the United Nations system.

102. The representative of Canada emphasized that a new international consensus existed on liberal democratic values, respect for human rights and importance of market-oriented economic policies. In addition, many Governments, including that of Canada, considered that the United Nations could and should play a more important and effective role in world affairs. With this aim in mind, the structures and working methods of the United Nations needed to be reformed; this was necessary for institutions dealing with policies related to economic development, in particular UNCTAD, which had been progressively eclipsed by other organizations.

103. Improvements were required in the work of UNCTAD's secretariat and of the intergovernmental bodies. The substantive orientation of secretariat research and analysis had to give much greater weight to the study and comparison of national economic development policies and determinants of development success and failure. Study of developments at the international level needed to continue, focusing mainly on implications for developing countries. UNCTAD's tendency to advocate unilateral concessional or preferential measures by developed countries should be diminished, and UNCTAD should take account of the capacities, constraints and views of donors. Work should focus on the full integration of developing countries into the world trade and payments system. Meetings in UNCTAD should be based on dialogue and exchange of information, and substantially less on negotiating agreements, resolutions or other results.

104. Regarding resources for development, external resources to support economic development could be expected to remain scarce in the foreseeable future. Those countries which created conditions to generate resources domestically would be more successful in attracting foreign investment and lending. The same policies which encouraged high domestic savings and investment would prove attractive to foreign businesses and bankers.

105. Canada attached particular importance to its assistance programme for the least developed countries and would do everything possible to achieve a target of allocating 0.15 per cent of its GNP for assistance to them. Governments which systematically violated the human rights of their citizens should not be provided with ODA.

106. Canada believed that the Uruguay Round negotiations should be concluded as soon as possible, in order to continue the progressive liberalization of international trade. The Final Act of UNCTAD VIII should call on the Uruguay Round negotiators to conclude their work speedily. Like other developed countries, Canada would also re-examine its preferential customs tariff, in the light of the results of the Uruguay Round. UNCTAD should study in depth the potential for more intensive trade among developing countries stemming from liberalization of the barriers to imports from other developing countries. It should also consider more attentively national trade policies and practices and their impact on development performance.

107. The draft text of the General Agreement on Trade in Services in the Uruguay Round should be commended. It would surely promote future development of international trade in services. In this context, UNCTAD could contribute substantially by analysing national trade policies and their impact on the competitiveness of services industries.

108. Canada welcomed the increasing attention in UNCTAD to market systems and private enterprise when considering problems related to commodities. Canada was of the opinion that a better dialogue between producers and consumers constituted the best means to solve commodity problems and improve market transparency.

109. The representative of Chile referred to the challenges and opportunities of the new international scenario. Interdependence among all countries and the global character of both problems and solutions characterized current reality. Chile was concerned about the present intensification of protectionist policies, including non-tariff barriers, in industrialized countries. These were not only contrary to basic principles of free trade and led to a less efficient allocation of resources at the global level, but also reduced the benefits of export-oriented development strategies of developing countries. The successful conclusion of the Uruguay Round negotiations was therefore of fundamental importance. The new climate of peace and reduction of tensions at the international level could also permit reduction of expenditures in the defence sector, and allow the redirection of resources for development purposes.

110. There was also an increasingly homogeneous approach by developing countries to promoting economic development, based on trade liberalization and strengthening of their export orientation, including measures towards fiscal austerity, prudent management of monetary policies, reduction of controls and regulations in the activities of the private sector, and of governmental subsidies.

111. Their increasing integration into the world economy required that developing countries become more internationally competitive. This depended on their resources and on their knowledge of how to organize resources

productively, which necessarily entailed the systematic introduction of progressive technology into productive processes. This constituted perhaps the greatest challenge to developing countries.

112. The international community needed UNCTAD, whose main mission was to promote economic development and equity in international economic relations. There was no other forum of a universal character which could analyse, from a development perspective, the interlinkages between trade, finance and technology and undertake the consideration of matters such as globalization of the international economy and its impact on weaker economies. Recognition that the economic success of each country was more than ever intimately linked to the international environment implied that equitable and harmonious development was of utmost importance.

113. UNCTAD needed to update its agenda; to adapt its work to address concrete aspects of interest to all members; to propose effective responses to current problems, in particular concerning the integration of all countries in the international trading system, increased requirements for international competitivity and technological progress; to include among its new concerns an analysis and discussion of the links between development and good economic management, especially efficient, socially equitable and ecologically compatible public policies. Chile considered the subject of sustainable development of great importance in this context.

114. The work of the organization had to be defined in the light of the mandates and functions of other multilateral entities. UNCTAD could complement and contribute within its sphere of competence to these other forums; this would include providing inputs to their discussions. Structural reform of UNCTAD was indispensable. The organization needed greater flexibility to respond to the new realities. The participation of non-governmental sectors in UNCTAD's negotiation forum was increasingly needed, and could involve diverse groupings, different from the traditional regional groups, and in line with the subject under discussion.

115. Chile's interest in a dynamic and efficient UNCTAD reflected the internationalization of its economy and its increasing participation in the international market. To achieve international stability and peace in an increasingly interdependent world, it was important that economic relations favoured growth with equity.

116. The representative of China said that, as an old pattern of international relations was being replaced by a new one, the gap between North and South kept widening. After the 1980s, which had been a lost decade for development, development had become a common imperative for the international community. Faced with falling GNPs and export earnings, as well as a crippling debt burden and a particularly unsupportive international environment, many developing countries had undertaken painful adjustment efforts. In spite of these, development efforts were still being constrained by the external environment, and 1.2 billion people were still struggling in hunger and poverty. The situation in the least developed countries was even more disturbing.

117. The establishment of a new international economic order based on equality, reasonableness and mutual benefit and cooperation was the common desire of the international community and a precondition for ensuring stable development. This new order should ensure that each country had the right to adopt its own socio-economic system and approach to development in accordance with its national realities; to exercise effective control over its national resources and their exploitation; and to participate equally in the decision-making process on international economic affairs. At the same time, the developed countries should respect and give preferential consideration to the interests and needs of the developing countries and refrain from attaching political conditions to the provision of assistance.

118. It went without saying that the developing countries bore the primary responsibility for their own development, and they had been making efforts at adjustment and reform in accordance with their own conditions. Cooperation among them was important in order to enhance their collective self-reliance, and in that connection the GSTP was important and should be strengthened and expanded.

119. A favourable external economic environment was essential for development, as the experience of the 1980s had proved. The process of global integration had been bringing countries ever closer together and required that the North and the South strengthen their cooperation in a spirit of shared destiny. In this regard China fully supported the proposal in the Tehran Declaration that called for "a new partnership for development" and a "reinvigoration of the development dialogue". In this new cooperative effort, priority should be given to market access and to the transfer of financial resources and technology to developing countries. Particular attention should be devoted to the LDCs, which suffered from an acute shortage of development finance, an extremely low capacity in science and technology and deteriorating terms of trade. The effective policies and measures contained in the Paris Programme of Action should be implemented in earnest.

120. The agenda of UNCTAD VIII provided for ways to address some of the most urgent problems of developing countries, including solving the debt problem, increasing financial flows for development, resolving imbalances in world trade through the achievement of a balanced package agreement in the Uruguay Round, liberalizing transfers of technology towards the South (including through the resumption and conclusion of negotiations on the code of conduct on transfer of technology), and helping developing countries to build competitive service industries, taking their needs fully into account in the formulation of any relevant national and international policies and legal frameworks on the service sector.

121. Many developing countries had a vital interest in commodities, and there was need to find comprehensive and long-term solutions to commodity problems, including the improvement of compensatory facilities for the financing of export shortfalls and the encouragement of the processing and marketing of commodities produced in developing countries. Proper and effective use of natural resources and improvement of the environment were matters affecting the very survival of mankind, and developed countries should bear more responsibility in that area of concern. China hoped that the United Nations Conference on Environment and Development would make a useful contribution to

solving problems of development and environment, while UNCTAD should promote the transfer of additional resources and environmentally sound technologies to developing countries.

122. In addition to its original mandate, which remained valid and useful, UNCTAD should foster its policy analysis, negotiation and technical assistance in new areas. Emphasis should be placed on finding practical solutions, working methods should be improved and the organization made more adaptable. However, the objectives and orientations of UNCTAD should not be altered.

123. With a population of over one billion, China was embarking on a socialist road with Chinese characteristics by combining planning with market regulations, and it had achieved remarkable results. Not all countries could follow the same development path or economic model, and China's not only suited its national conditions but was also effective in practice. China had also initiated a broad range of reforms, and was attempting to resume its status as a contracting party to GATT, with a view to the further development of its trade relations with other countries.

124. The representative of Colombia referred to the constructive tone and political will evident in the deliberations, despite the formidable obstacles facing UNCTAD, such as the previous atmosphere of confrontation, the evident paralysis of some of its activities, and the now left-behind scepticism about its effectiveness and role as a forum for discussion of a number of the world's problems. Cooperation was needed instead of confrontation. The institutional renewal of UNCTAD required action on several fronts. First, there was a need to disband some of the old committees and to restructure and combine others, and resources and space should be freed to deal with new issues. Secondly, ad hoc working groups which would operate in the light of the changes already made in the old rigid framework of traditional regional groups should be established to consider new and vital questions of international import. Thirdly, it was not a question of abandoning the group structure but of establishing issue-oriented groups with specific goals and interregional groups for specific tasks. Fourthly, monitoring and follow-up of decisions were the only way to ensure their effective implementation. Fifthly, the academic world, the private sector and organizations which represented civil society had to be linked with UNCTAD activities.

125. It was important that the Conference achieve positive results on substantive issues and consequently reflect them in the new work programme. Commodities was one such item. Innovation was needed to take advantage of the opportunities offered by financial instruments which would promote price stability. Indeed, it was possibly the right time to convene a World Conference on Commodities. The convening and backstopping of such conferences should be the responsibility of UNCTAD whose role in the international system would thereby be strengthened. Given the catastrophic situation in the coffee market following the collapse of the International Coffee Agreement, Colombia had been making great efforts to re-establish a coffee agreement and was appealing to producer and consumer countries to advance constructively in these negotiations.

126. There was also a need for a lucid and original examination of environmental questions. The Earth Summit had to concentrate on determining the relationship between the environment and development. It offered a unique opportunity to enrich one's knowledge of the interrelationship between the issues of economic growth, poverty, and physical environment. The meeting in Rio should likewise be used to ascertain that environmental policies did not become a means of adopting new discriminatory measures and imposing new barriers to trade. Moreover, UNCTAD VIII should study the relationship between its activities and mandate and the foreseeable outcome of the Rio Conference. It would be inappropriate for the Rio Conference to conclude with the establishment of yet another agency in the United Nations system; rather there should be an agreement among the institutions of the multilateral system so that the functions and responsibilities arising out of the Conference were distributed appropriately and the decisions taken there monitored.

127. The importance of good management was being emphasized at UNCTAD VIII. The need for international cooperation to assist the poorest countries had to be taken into account in allowing market forces to direct the organization of economic activity. There would not be complete well-being in the North as long as enormous social inequalities, illness, ignorance, unemployment and poverty persisted in the South. There was a vast space between the market and the State, that of social action. There was now broad scope for objective analysis of these topics within the United Nations in an atmosphere devoid of ideological connotation. The analysis of good governance had to be extended to include private actors and the international environment. Corruption permeated all spheres of economic activity.

128. UNCTAD should study and denounce the inconsistencies by which the principles of free trade were applied selectively. Analyses of the world trade situation should be conducted so that Governments would be sure of moving in the right direction. UNCTAD's technical cooperation activities had lent valuable support to this endeavour.

129. The globalization of economic activity had involved a growing transfer of influence and power from the nation State to the regional and supranational levels. However, there existed also an opposing tendency leading towards globalization of the problems of poverty. All problems in the South had immediate impact on the North. Taking into account the recent reorganization started in United Nations headquarters in New York, development themes to be integrated into the work of UNCTAD should include investment, technology, privatization, the democratization of private ownership, training and competition. The "spirit of Cartagena" should not be reflected merely in a declaration, but rather in commitment. Instead of a long list of complaints, there should be a plan of action for the decade that had begun. Rather than confrontation based on selfishness, what was needed was consensus and concerted action based on solidarity aimed at world peace and human well-being.

130. The representative of Costa Rica said that the series of economic events which had radically transformed international relations represented the point of departure for a discussion on real international commitment. UNCTAD had previously played a major role in the formulation and definition of the rules concerning trade matters in North-South economic relations and had been a useful mechanism for developing countries in implementing logical and just

economic strategies. The end of the East-West conflict had inspired renewed confidence in multilateralism. UNCTAD had to be present in the new scenario and become the ideal forum for dialogue between North and South. It was urgent to strengthen and create follow-up mechanisms as well as to draw up a concrete agenda of activities for efficient functioning. The renewal and strengthening of dialogue among industrialized and developing countries was the major theme of UNCTAD. This dialogue should become a continuous process of concertation on concrete matters.

131. The Conference should generate proposals and promote mechanisms for the effective mobilization of resources necessary for economic and social development. The Programme of Action in favour of the least developed countries for the 1990s, recently adopted by the General Assembly, was significant. UNCTAD should have an important role with regard to funds for cooperation and assistance for the least developed countries, and should prepare and present concrete proposals identifying needs concerning cooperation and assistance, as well as possible donors.

132. Commodities was another subject of great importance in view of its role as a source of foreign exchange for a large majority of developing countries. UNCTAD should examine the current situation and perspectives in the field of commodities, with the aim of contributing towards coherent and effective international policies and the equitable development of commodity trade at the global level.

133. With regard to the current debate on trade liberalization and the need to abolish protectionist barriers, UNCTAD should inspire developed and developing countries to resist allowing current trade policies to become an additional obstacle for the majority of trading countries. UNCTAD should play a fundamental role in the analysis of, and discussion and negotiation on, new modalities for international trade. It was vital for UNCTAD to participate actively in the work towards the creation of an international trade organization, of which it should form part. In the field of services, UNCTAD should contribute to the strengthening of the capacities of developing countries, with a view to creating a multilateral framework for regulating and expanding trade in services.

134. Technology transfer and development were vital themes in the new economic environment. UNCTAD should therefore be actively involved in strengthening the technological capacity of developing countries. It should in particular promote initiatives for identifying the priorities of developing countries in this area.

135. In order to implement these activities, UNCTAD should strengthen its mechanisms and work structures and strive with renewed vigour to confront the challenges posed. Likewise, developing countries should renew and adapt their mechanisms of concertation: the distinctive signs of the new economic era will be concertation and dialogue.

136. The representative of Cote d'Ivoire said that, in contrast to the positive evolution of political problems in the early 1990s, the economic situation had developed quite differently, and had been marked by an increasing gap in levels of development between developing and industrialized countries.

137. The world today was facing a political situation in which each country had to assume responsibility for its development. It was nevertheless important, in order to promote pluralistic democracy and peace for all peoples, that new modalities for international cooperation be formulated and agreed upon as soon as possible. Democracy and development were closely linked.

138. The commodities sector was of vital importance for Cote d'Ivoire and indeed all African countries. Pressed by the servicing of their debt and faced with a decline in export prices, African countries, and particularly Cote d'Ivoire, had been obliged to increase production, which had led to further declines in commodity prices. In order to break this vicious circle, the international community had to agree upon measures and strengthened international policies in the vital sector of commodities. In this context, the possibilities of existing traditional instruments of cooperation, such as commodity agreements, study groups and the Common Fund, had not been fully explored. Hence UNCTAD should design new modalities for their implementation.

139. Regarding international trade, for some time there had been two contradictory trends emerging. First, the internationalization of trading system, and secondly, the appearance of trade blocs. The Uruguay Round negotiations should be concluded with a view to balanced results, taking into account the particular needs of developing countries, inter alia, the preservation of certain benefits which these countries enjoyed in their relations with economic integration organizations.

140. The developing countries themselves bore the primary responsibility for their economic development. They needed also to cooperate with international financial institutions, with the aim of finding a durable solution to the debt problem, which was a particular manifestation of market defects.

141. The representative of Cuba said that, in spite of the hopes raised by the creation of the United Nations and later of UNCTAD for accelerated development and a better distribution of wealth among all peoples, the 1980s had been a lost decade for development. Of the 4 billion inhabitants in the third world, 1.2 billion were living in extreme poverty, and their economies were growing at less than 1 per cent annually, thus widening the gap which separated them from their fellows in developed countries. In this context, debt (which represented a total of $300 per capita in developing countries) was the greatest economic scourge, especially in Latin America, which was paradoxically now a net capital-exporting region.

142. At its first session, the Conference had recognized the need to compensate developing countries exporting agricultural products for the losses caused by the distorting mechanism of the so-called "price scissors". Today, however, no one appeared to be concerned by the fact that the level of commodity prices (excluding oil) had declined by 40 per cent in the past decade and that the losses thus suffered had far outstripped the financial resources received in the form of development assistance.

143. Although it had become fashionable not to talk of the pressing need for a new international economic order, and instead to put forward as miraculous solutions for contemporary ills the old practices which had themselves led the

world to its present inequalities and suffering, changing the prevailing situation in developing countries required the solution of the problems of foreign debt and commodity prices, the transfer of technology on fair terms, the reversal of the net negative transfer of resources and the elimination of protectionism.

144. He recalled the priority which the Cuban authorities had given to human development since the revolution and the impressive results achieved in this area. Investment in human development had now been recognized by international organizations and even world financial institutions as a sine qua non for economic development. It was to be regretted that, in spite of the wish of many countries, it had not been possible to hold UNCTAD VIII in Cuba, owing to the hostility of the United States which had continued its economic, commercial and financial blockade to this day.

145. Because of the recent developments in the former Soviet Union and Eastern Europe, Cuba had to face a totally different, and much less supportive, international environment, the effect of which had been the reduction of Cuban exports to half the level achieved only two years ago, imposing very serious hardships on the Cuban people. Under these circumstances, Cuba had had no choice but to adopt an austere adjustment programme. However, unlike the adjustment programmes and shock-treatment policies adopted by the East European and other countries at a high social cost, Cuba was striving to implement its programme without giving up previous historical achievements, and would not abandon giving priority to employment, price stability and food self-sufficiency. Instead, imports of manufactured goods had been curtailed, sharp reductions effected in the consumption of energy, and resources concentrated on activities which could replace imports and increase foreign-exchange income.

146. Cuba's export policy was based on increasing traditional exports and developing new exports, multiplying the number of sectors participating in foreign trade and introducing more rapid, flexible and stimulating systems for exporters. Significant investment efforts were being made in research for biotechnologies, pharmaceuticals, and medical equipment. Long-term arrangements were being made with foreign firms in the area of marketing. New facilities had been granted for the absorption of foreign capital, and foreign investment encouraged through total guarantees. This was being done with a minimum of publicity because of the strong and persistent pressure exerted by the United States on those wishing to invest in Cuba; paradoxically, it was the United States which in the Uruguay Round had been demanding the free movement of capital. A new approach had been adopted regarding tourism, which was now being developed. All these new elements showed Cuba's willingness and capacity to adapt.

147. UNCTAD VIII was called upon to revitalize UNCTAD, which was the sole organ of the United Nations devoted to interrelated examination and negotiation of the main problems of development. A special session of the Trade and Development Board needed to be held on the link between the deterioration of the purchasing power of commodities and the enormous subsidies which the OECD countries gave annually to their agricultural

production. The "draft final act" of the Uruguay Round was useful as a basis for negotiation: free and fair trade was essential to the well-being of developing countries. UNCTAD should contribute, through studies and assessments, to the possible creation of a multilateral trade organization as part of the outcome of the Round. With regard to environment and trade, the measures to be adopted needed to focus on the objective of abolishing poverty, avoiding the risk that the cost of environmental measures fell on the developing countries. Equally, the pretext of protecting the environment could not be used to justify protectionist measures or the curtailment of national sovereignty.

148. The representative of Czechoslovakia said that in recent years and especially in Europe, major political and economic changes had occurred as many countries were promoting democratic processes and embarking on the road to a new market economic system. The necessary positive results and adjustments of the work of the United Nations to these changes had not yet been realized, however. In UNCTAD, very little success had been achieved in the adoption of proposals to give impetus to the new thrust of economic cooperation in the world community.

149. Although UNCTAD's work needed to undergo major changes, changes in its mandate were not required. In seeking new approaches to the work of UNCTAD, the possibilities should be explored of making it more attractive to wider participation not only of Government officials but also of academic, research and scientific specialists as well as private businessmen.

150. Czechoslovakia had adopted a wide range of economic measures to achieve rapidly a market economy system. It now had a very liberal system of foreign trade, comparable with that of other developed countries. The aim was to do away with one-sided dependence on a single trading partner. Czechoslovakia's general system of preferences in favour of developing countries remained in force and covered (with the exclusion of a few items) all products imported from developing countries. Products originating in and imported from least developed countries were totally exempt from customs duty.

151. Czechoslovakia believed that UNCTAD should deal with the problems of world trade and economic development of all its member States, with special attention to the developing countries. The existing regional grouping system had become outdated, however, and, to a certain extent, created an obstacle to the work of UNCTAD. Member States should be free to form various groups according to their common, regional, economic and other interests, or to present their positions individually. UNCTAD should also deepen its collaboration with other international organs and organizations, such as GATT, the World Bank, the International Monetary Fund, regional commissions of United Nations, and others.

152. The representative of the Democratic People's Republic of Korea emphasized that the eighth session of UNCTAD was taking place at a time marked by rapid changes in international economic relations. The disappearance of the East-West confrontation had led to new multipolar international relations and had accelerated the process of regional and sub-regional economic integration.

153. The gap between developed and developing countries was becoming wider: capital flows into the developing countries were declining; the terms of trade continued to be unfavourable; the debt burden was growing. The difficult economic problems encountered by the developing countries added to the instability of the world situation.

154. The international community now faced the important task of creating a favourable international environment for the growth and development of the developing countries. This would involve measures to reduce their external debt, to increase the flows of financial resources for development and to eliminate inequities in international trade, in particular with respect to trade obstacles affecting the developing countries and the level of commodity prices. The Democratic People's Republic of Korea thus called upon the developed countries to remove all forms of economic blockade, restrictions and political conditionalities. A new international economic order based on the principle of respect for the sovereignty, equality and mutual benefit for all nations was required.

155. The Democratic People's Republic of Korea supported the Final Document adopted at the Ministerial Meeting of the Group of 77 in Tehran and, stressing the characteristics of the Juche-oriented socialist economic construction, emphasized policy of actively extending economic relations with all countries, relying on the existing independent national economy.

156. The representative of Denmark said that UNCTAD VIII was held in a dramatically changed international environment. Discussions at UNCTAD VIII should be complementary to those elsewhere, given UNCTAD's strength in dealing with the interlinkages of issues in the world economy and their impact on developing countries.

157. Democratic, transparent and accountable political systems which upheld respect for human rights and fostered popular participation in the development process were prerequisites for development. Women and the socially most vulnerable groups had to be given prime consideration, and effective measures taken to fight corruption.

158. The need for economic reforms and structural adjustment as a basis for lasting growth and development had now become evident and accepted. Sound economic policies had to be based on the interplay of market forces and should stimulate private entrepreneurship, although the public sector was still important. It was a matter of particular concern that military expenditures in many developing countries had reached alarming levels.

159. Developing countries had to ensure that domestic resources were raised and utilized to their full potential and, for their part, developed countries should redouble their efforts to reach the international target of 0.7 per cent of GNP for ODA transfers and reconfirm their commitments with regard to LDCs as agreed at the Paris Conference. A greater involvement in the development process by private industry in developed and developing countries was also called for.

160. Increased market access and an open and credible multilateral trading system resistant to protectionist pressures were essential for growth and development. Therefore Denmark was actively seeking a successful conclusion to the Uruguay Round, with substantial and balanced results contributing to a greater integration of developing countries into the multilateral trading system.

161. Diversification and better coordination should be the central elements in both international and national efforts in commodities, supported with resources from existing institutions and arrangements such as the Common Fund for Commodities and ITC. Denmark supported UNCTAD's efforts to establish better-functioning producer/consumer cooperation which could contribute to greater transparency in the markets. The primary responsibility for an appropriate commodity policy, however, rested with the individual country; such a policy should include the strengthening of the private sector and support for the development of human resources and infrastructure.

162. The Nordic countries had put forward some thoughts on the revitalization of UNCTAD in December 1991 which had suggested that UNCTAD's activities should rest on three main pillars, namely objective and penetrating analysis, normative activities in the form of a genuine and open dialogue, and technical assistance and policy advice. The Nordic view placed considerable weight on the analytical function. He considered that the areas of operation of GATT and UNCTAD should be kept separate but complementary, with UNCTAD as a forum for broad analysis and debate, and GATT as a forum for negotiations of contractual rights and obligations. The working methods of UNCTAD needed to be reviewed, to avoid the practice of seeking to conclude most issues by adoption of resolutions, laboriously negotiated by a rigorous group system. A summing up by the chairman could often be a better alternative. In general, much could be learned from the experience of OECD, which had proved to be a most useful forum for analysis and debate and which had an unquestionable impact on member countries' policies.

163. The representative of Ecuador reaffirmed the validity of the mandate and objectives of UNCTAD which was the only universal forum where all issues regarding trade and development could be examined in a complete and integrated manner. It offered an efficient mechanism to adopt multilateral actions and policies for resolving international economic problems obstructing the growth of developing countries. Ecuador had great confidence in the functioning of multilateralism as the right scheme for responding to the demands of these countries.

164. In its early years, UNCTAD had accomplished such significant achievements as the acceptance of preferential treatment for developing countries in the multilateral trading system, the establishment of the Generalized System of Preferences, and the adoption of the Integrated Programme for Commodities. The results of this successful multilateral process had unfortunately been elusive. Therefore, the first objective of the Conference should be to convert UNCTAD into a more useful and efficient instrument. Its mandate and objectives must, however, remain unaltered. Otherwise, by the next conference on trade and development, the participants would be confronted by the same problems in an aggravated form.

165. Ecuador was an example which demonstrated the unfavourable influence of external factors on national economies and, consequently, the need to change the status quo of international economics. This was where UNCTAD could provide valuable assistance. In pursuit of a modern and competitive economic structure, Ecuador had undertaken important economic reforms, continued adjustment programmes, and made trade concessions in the process of Andean integration. Despite these efforts, Ecuador's economic growth had been quite meagre. The success of these programmes depended to a large extent on the evolution of the external economy. Developed countries must support such efforts through a substantial reduction in protectionism, higher prices for commodities and provision of financial resources in a manner allowing rational and continuous financing of development.

166. Currently the external economy was not conducive to progress in developing countries nor was there a corresponding effort on the part of developed countries which would permit the efforts of developing countries to bear fruit. The international environment had to be changed. This was the fundamental challenge of the present Conference. Revitalization of UNCTAD would also contribute to the revitalization of development possibilities of developing countries.

167. The representative of Egypt said that, in a world marked by the end of the cold war, security, stability and peace were no longer viewed as purely military concepts. Those notions were now linked to the economic and social environment, to the right to development and to solidarity in the endeavour to break the vicious circle of poverty, under-development and extremism. Serious and constructive dialogue among countries was needed to find solutions to contemporary international economic problems. He referred to the 1989 initiative of the Presidents of Egypt, Senegal, Venezuela and Yugoslavia and the late Prime Minister of India to relaunch the North-South dialogue. Developing countries bore prime responsibility for their own development. Egypt had made enormous efforts aimed at unilateral economic liberalization and the implementation of an unprecedented economic reform programme. The principal responsibility of developed countries and multilateral financial institutions was to provide additional and concessional assistance for countries implementing economic reform programmes. Developed countries should also adopt sound monetary and fiscal policies. A minimum level of social and economic development in developing countries was necessary to sustain a favourable environment for democracy. He emphasized the right of developing countries to select their priorities and to play an effective role in shaping a new international order. He expressed the hope that the present positive international environment would be reflected in the settling of regional conflicts, particularly in the Middle East with a view to liberating the Palestinian and Arab occupied territories and enabling the Palestinian people to exercise their right to self-determination.

168. The Uruguay Round should reach a positive, comprehensive and balanced outcome that would end protectionism against the exports of developing countries and would translate the principle of their special and preferential treatment into concrete measures. In particular, for net food-importing developing countries, multilateral financial institutions should establish additional mechanisms with concessional resources to compensate these countries for the rise in the cost of their food imports. Food aid should

also be increased. These countries should be provided with financial and technical resources to help increase production and productivity in the agricultural sector. Also, future institutional arrangements in international trade should be comprehensive in coverage, with universal membership, democratic decision-making, and should be linked to the United Nations system.

169. The debt crisis had continued to impede development efforts of developing countries. Egypt attached priority to the role of UNCTAD in studying means of channelling a substantial proportion of resources released from disarmament agreements among developed countries to development efforts in developing countries. He expressed appreciation for the reference made by the Managing Director of the IMF to the effect that the reduction of military spending by developing countries should be compatible with a reasonable level of security, taking into proper account the geographic and strategic circumstances of each country. There was an urgent need to increase ODA flows on concessional terms. Developed countries should honour their commitment to allocate 0.7 per cent of their GNP to official development assistance. He also urged developed countries to provide assistance to developing countries undertaking serious efforts to transform towards democracy.

170. The decade of the 1980s had witnessed the instability of commodity markets. Redressing that situation would require improvements in existing compensatory financing facilities and broadening their product coverage. Adequate financial resources should be made available to the Common Fund for Commodities to enable it to implement its tasks. As regards sustainable development, financial resources for environmental protection in developing countries should be new and additional. In addition, environmentally sound technologies should be transferred to developing countries on preferential and non-commercial terms. Developing countries should receive technical assistance to combat desertification and drought and to protect fresh-water resources. In particular, he urged the international community to honour its commitments under the new Programme for African Economic Development in the 1990s. He expressed the hope that the Summit for the Economic Advancement of Rural Women, to be held in Geneva on 24 and 25 February 1992, would strengthen the participation of women in development efforts.

171. Egypt considered that UNCTAD VIII provided a unique opportunity to revitalize and enhance the role of UNCTAD as a forum for constructive dialogue, negotiations and international cooperation for development. UNCTAD VIII should not be confined to agreeing on institutional changes; it should also be aimed at achieving positive and meaningful results on substantive issues.

172. The representative of El Salvador said that international trade was fundamental to international relations and, for that reason, in recent years the forces attempting to reactivate, coordinate and strengthen trade cooperation were pressing in new directions. Experience showed that the application of just and effective trade liberalization programmes and a dynamic economic environment were prerequisites to this effort. As a result, El Salvador had started to implement a rigorous programme of adjustment and trade liberalization, which should quickly allow its integration into the international economy. The peaceful solution to the politico-military conflict which had raged in the country for 11 years had contributed to the climate of confidence in which this programme could be carried out.

173. El Salvador was participating actively in GATT and had taken a special interest in certain international codes, including those relating to import licensing and anti-dumping. The country was also more and more actively involved in the Uruguay Round, especially those groups dealing with tropical products, agriculture, natural resources and services.

174. For El Salvador, reinforcing UNCTAD was a key objective, since UNCTAD provided technical assistance which helped the country to strengthen its capacity to participate more fully and competitively in international trade, a result which itself helped strengthen the process of democratization and reconstruction of the country. UNCTAD could also assist developing countries in designing and implementing appropriate strategies to promote development. Such assistance would be of critical importance at this particular point in El Salvador's history, as the policies and measures adopted to develop products and markets had not yet borne fruit. Assistance of a financial nature would also be required as the costs of the adjustment and reconstruction programme were very high since they included specific actions in the social as well as the economic field. El Salvador hoped that such assistance would be forthcoming from the international community.

175. The representative of Ethiopia declared that the 1980s had been characterized by economic instability and setbacks for developing countries. The root causes for this adverse development lay mainly in the policies pursued by major developed countries, as they implemented policies whose immediate impact was to bring about economic recession, the effects of which were quickly transmitted to developing countries. The ability of the developing countries to contribute to the expansion of world trade had been drastically impaired as a result of import contraction policies adopted by many indebted countries.

176. Sustained economic growth in all developing countries was dependent on an international trading and financial system which guaranteed access to export markets and fair prices for their exports. Unfortunately, recent developments had been in precisely the opposite direction. Their impact on the world economy had been most acutely felt in Africa. Fluctuations in commodity prices compounded by drought had militated against economic growth. Hence the continent faced the start of the 1990s with major unresolved economic problems.

177. As regards debt, it was estimated that Africa's annual debt servicing obligations would be around US$ 25 billion by the end of the century. Urgent action needed to be taken to renegotiate agreements on coffee and other commodities of critical export interest to low-income countries. In addition, measures needed to be implemented to increase resource flows to Africa, in particular flows of concessional aid. Despite the SNPA, African LDCs had continued to experience persistent deterioration of their economic growth. The new Programme of Action for LDCs in the 1990s should, therefore, provide a framework for an effective new partnership enabling these countries to achieve acceptable standards of nutrition, health and income. Intensified efforts needed to be made by all countries and multilateral financial institutions aimed at implementing fully and effectively the commitments contained in the Programme.

178. The negotiations of UNCTAD VIII should focus on policies and measures aimed at implementing the Integrated Programme for Commodities. Particular attention needed to be paid to achieving horizontal and vertical diversification in the predominantly monocultural structure of the economies of LDCs. Full support should also be given to the operation of the Common Fund for Commodities through a particular emphasis on product development and technology transfer under its second account. Additional measures should be taken by the international community so as to halt and reverse protectionism, and improve the GSP through comprehensive country and product coverage.

179. The representative outlined the current political and economic reform measures adopted by his Government. These included provisions in the charter proclaiming respect for democratic rights, the attempt being made to establish regional administration and the adoption of a new economic policy.

180. The representative of Finland emphasized that this was a time of change and hope. The costly arms race was coming to an end and there were fewer obstacles to the strengthening of worldwide, all-encompassing cooperation. During the 1980s, a more widely shared perception of the development process had emerged in the world; there was a growing recognition of the importance of the market economy, of the private sector, and of effective government combined with the necessary democratic institutions and practices.

181. For the whole post-war period, trade had been the driving force for the world's economic growth. Therefore, the success of the multilateral trade negotiations within the Uruguay Round was of utmost importance to both the developing and the developed world. Market access was vital and in this regard, the Generalized System of Preferences had proved useful; Finland had decided to allow duty-free entry to almost all imports from the least developed countries.

182. In the light of the new political situation in the world, reduced defence spending seemed to open up major opportunities. However, competition for resources and capital was intensifying and so worldwide savings needed to be increased. The further mobilization of domestic savings efforts in the developing countries would inevitably play an important role in development financing. With regard to external debt, there was now general agreement that debt relief was required, particularly for the poorest countries. For the most indebted among them, which themselves were making serious efforts to solve their economic difficulties, debt reductions of up to 80 per cent should be granted on a case-by-case basis.

183. Finland was pleased that the concept of sustainable development had been integrated into the work of UNCTAD and commended the secretariat for its valuable analyses in the field of sustainable development as well as for its role in the preparations for the United Nations Conference on Environment and Development in Rio de Janeiro. UNCTAD had found its own niche in the vast interrelated areas of environment and development.

184. The international community had also to deal with the developmental challenges of Central and Eastern Europe as well as of the former Soviet Union. At the moment, there was a need for emergency-type operations but it was also important to provide these countries with organizational know-how and to bring all of them into membership in the international financial institutions.

185. The reform process in the economic and social field, which had gathered speed during the past two years, should impact on all relevant activities of the various United Nations bodies. UNCTAD should deal primarily with the interlinkages of trade and economic development and its consensus-building role should be based on policy analyses and discussion. The technical assistance provided by UNCTAD had proved to be valuable to the developing world.

186. It was time for UNCTAD to revise its work priorities and working methods. UNCTAD VIII should give guidance on the priority themes on which UNCTAD should focus during the following quadrennium.

187. The representative of France said that his country subscribed to the views set out earlier by the representative of the European Community. Interdependence and its corollary, partnership, had to guide the work of UNCTAD VIII. There was a close linkage between democracy and development and democracy and respect for human rights had become fundamental elements of cooperation policies and agreements. However, whilst there could be no development without democracy, democracy itself could not survive long in a situation of penury, much less poverty; hence the support of the international community was all the more necessary at a time when democratization was spreading throughout the world. Development had also to be human-centred: education, training, health and welfare therefore had to be provided for in cooperation policies and structural adjustment programmes.

188. The growing differentiation among developing countries needed to be taken into account so that analysis could better benefit from the diversity of experiences and interests encountered. Development was the primary responsibility of the developing countries themselves, who needed to generate at least part of the financial resources necessary for development by increasing savings rates, repatriating flight capital and eliminating unnecessary spending. Nevertheless, the support of the international community remained essential.

189. The developed countries, for their part, needed to adopt policies conducive to increased savings rates, macroeconomic equilibrium and open markets. The multilateral approach needed to be preserved in trade, debt and commodity matters, as well as in the United Nations system - which should not be subjected to financial strangulation. Commitments undertaken in various forums, e.g. at the Second United Nations Conference on the Least Developed Countries, had to be respected. ODA must be improved both qualitatively and quantitatively, and the burden must be shared more equitably, particularly through the involvement of certain countries, hitherto beneficiaries of ODA, which should now accept their new responsibilities in the world economy. France supported the idea of a conference on development finance.

190. There was a need for a forum such as UNCTAD in which development issues could be examined in all their dimensions and resolved by consensus wherever possible. However, a pragmatic and progressive approach needed to be taken, recognizing that certain ideas took time to reach maturity. UNCTAD needed to be more directly available to Governments in the field, and the secretariat required the human and financial resources necessary to perform its tasks effectively.

191. The representative of Germany noted that UNCTAD VIII was taking place at a time of historic significance. Widely shared agreement offered an historic opportunity for a "New Development Partnership" to overcome hunger and poverty in developing countries, to develop the personal potential of all peoples in the economic and social spheres and to meet jointly the global challenges facing humanity. Partnership also meant that countries shared responsibility for the well-being of peoples and the protection of the natural environment.

192. "Good governance" required greater mobilization of developed as well as developing countries' own resources for solving key development problems, as well as the creation of economic and political conditions - including the promotion of individual initiative - for the efficient use of resources at the national and international level. Combating absolute poverty, promoting investment in (i) human capital, in particular education and health, (ii) preservation of the environment and (iii) respect for human rights and legal stability were indispensable elements of a strategy which focused on people. It would not be possible to provide the funds necessary to implement such a strategy without reducing excessive military spending. German and international development cooperation in the 1990s would centre round support for the determined efforts of partner Governments that took seriously their responsibilities towards their people. The granting of funds under development cooperation by Germany - and also by other bilateral and multilateral donors - would increasingly be guided by the degree to which partner countries put those basic elements of good governance into practice. In the context of international development partnerships, good governance meant that the industrial countries should ensure that the global economic framework allowed greater participation of developing countries in world trade.

193. The industrialized countries should secure stable economic growth in the world economy through sound financial policies, and without harming the environment. Such policies should encourage the formation of savings through appropriate levels of interest rates. This was essential for an increase in private transfers of capital to developing countries. Sound financial policies of the industrialized countries should also contribute to solving the debt problem. However, debt relief should not favour the continuation of dirigistic economic policies, unsound financial policies and capital flight. Debt relief would continue to be linked to the implementation of economic reforms. Also, the creation of open markets for exports from developing countries was a fundamental prerequisite for development.

194. Subsidizing agricultural production and exports in the industrialized countries not only destabilized world markets for those products but also deprived developing countries of the incentives to build efficient agricultural sectors. The successful conclusion of the Uruguay Round was of decisive importance for a fair and market-oriented trade system, for a substantial dismantling of agricultural protection and for improved market access for the exports of developing countries as well as of countries of Central and Eastern Europe.

195. The world economy was undergoing a period of far-reaching structural changes, the consequences of which at present could not be fully assessed. However, it was clear that in order to succeed on the world market, developing countries should seek to diversify their exports more vigorously and to expand

economic cooperation among themselves, as is done for example in South-South trading systems such as ASEAN. As far as the Single European Market was concerned, Europe would not be a trade fortress but a cornerstone of free trade and international competition. A dynamic and economically strong Europe would have a positive effect on world trade.

196. Overcoming hunger and poverty was one of the great challenges for political decision makers in the 1990s. UNCTAD could and should make an important contribution as a universal forum for dialogue and for deepening consensus on central issues of the "New Development Partnership". The necessary conditions should be achieved through the process of reform, including the need to improve UNCTAD's working methods and to streamline its organizational structure by also making greater use of outside experts.

197. The representative of Ghana stated that the eighth session of UNCTAD was taking place against a background of intense political and economic changes. The Conference had a special significance in this regard, as it offered an opportunity to agree on new development strategies. The representative recalled that UNCTAD had continued to display the necessary dynamism and ingenuity expected of it.

198. Despite successful initiatives under UNCTAD's auspices aimed at the development of all developing countries, Africa's trade and development problems had worsened. Africa as a major commodity producer and exporter had experienced declining real prices; attempts at domestic processing had been frustrated by protectionism on the side of the developed countries.

199. Debt obligations had reached intolerable levels. To this end the establishment of a Bank of Finance to purchase debts and to initiate financial flows needed to be emphasized. Enhanced external resources and unimpeded access to technology were also necessary requirements to achieve development.

200. Domestic policies could yield positive results only in a favourable external environment. The anticompetitive activities of TNCs in international trade was a serious impediment to equitable trade opportunities; the issue of RBPs therefore needed close attention.

201. Developing, and especially African, countries needed to be supported by measures such as financial assistance and diversification to benefit fully from the emerging opportunities in the Uruguay Round of Multilateral Trade Negotiations. Regarding the LDCs, developed countries were urged to live up to the commitments they had undertaken in the Paris Programme of Action.

202. Ghana considered that UNCTAD's role as a forum to address North-South issues of trade and development remained as valid today as when it was founded. Yet with the rapid changes occurring in the international environment, UNCTAD would have to adapt to the changes if it was to remain relevant.

203. The representative of Greece said that, since UNCTAD VII, many changes had occurred on the international scene. Greece was following those events with concern, as many of them were taking place very near Greece. Political

and economic reforms in Central and Eastern Europe were viewed as positive factors. Greece was convinced that strengthened development cooperation between developed and developing countries remained of paramount importance.

204. The Uruguay Round would have an important bearing on the international economic climate. If successfully completed, it would improve the international trade environment by reducing uncertainties and creating new opportunities. UNCED would also be decisive on the issue of development. Combining and balancing development and environment would be a major exercise for the next decade, and UNCTAD would have to shoulder a major share of this effort. In addition, UNCTAD would be required to analyse opportunities for converting resources from military budgets towards more productive development targets. UNCTAD had served well the dialogue between developed and developing countries. Developing countries might benefit further if technical assistance could be redirected to new priorities and needs.

205. Commodities was a sector where UNCTAD played, and should continue to play, a central role. UNCTAD was more qualified than any other international forum to promote an equitable solution to commodity issues. UNCTAD should resume its activities on commodities, for example with respect to improvement of dialogue and transparency between producers and consumers. Greece had hoped that activation of the Second Window of the Common Fund for Commodities would be beneficial to developing countries, especially as regards support for necessary structural adjustment of their economies. The social consequences of structural adjustment and the necessity for adjustment to be part of a long-term development process should not be underestimated.

206. The problems of many heavily indebted countries were a cause of economic and political concern and could become a threat to political stability for democratic regimes. The debt problem was complex, and an equitable, durable and mutually agreed solution should be based on a country-by-country growth-oriented strategy. This should include voluntary debt reduction by commercial banks, serious adjustment efforts by debtor countries, the catalytic role of the multilateral financial institutions, and greater cooperation among Governments, international institutions and banks.

207. Greece continued to perceive development as one of the major pillars of UNCTAD. New ideas and challenges now meant that some shift in UNCTAD's focus was necessary. Emphasis on sustainable development was at the centre of world activities. This required other ways of thinking and action, and a new approach to economic development. Also, as the number of developing countries moving towards participatory and pluralistic political systems increased rapidly, respect for human rights and good management were important components of development. UNCTAD must consider new patterns and procedures, and a departure from the rigid group system should be envisaged. Institutional reforms were necessary which would allow for the modernization of UNCTAD, and particular attention should be given to further liberalization of markets, the enhancement of multilateralism, regional cooperation, and the problems of the least developed countries, leading to a strengthened partnership.

208. The representative of Guatemala said that the international community would have to adopt new methods in the face of the challenges inherent in the new socio-economic configuration which had emerged since the recent

transformation in Central and Eastern Europe, the profound changes in the system of international relations, and the problems such as drug trafficking, environmental degradation and technological change. UNCTAD, as a platform for consultation and coordination on development issues, would have to reorient its objectives, reinforce its mechanisms for dialogue and diversify its work methods.

209. It was necessary that the Conference achieve concrete results in the area of more efficient trade. In this respect UNCTAD could be decisive in helping developing countries to obtain new technologies, thus increasing their competitiveness through their incorporation into a multisectoral international information system. Necessary also were increased technical assistance programmes provided through UNCTAD, as well as an urgent mobilization, under preferential conditions, of financial resources for development projects. In this way, developing countries could aspire to grow in social justice, thus enhancing UNCTAD's role.

210. Economic policy measures which would be applied by Guatemala during 1992 included the introduction of political, economic and social democracy, made possible with the help of programmes of fiscal modernization, more rational public expenditure, enhanced facilities for foreign investment, improved prices and increased productivity in the agricultural sector, as well as Central American integration.

211. Guatemala called on the developed countries to rise above their economic and political interests and cast aside their indifference to the efforts of developing countries whose democratic Governments were applying more open and liberal policies aimed at opening their economies to the world. There was a need not only for good will but also for investments by the developed countries, along with the transfer of technology which would take into account market interdependence and globalization. These were the measures which would enable developing countries to achieve greater efficiency in trade, thus fostering sustained growth coupled with social improvement.

212. The representative of the Holy See read out a message from His Holiness Pope John Paul II (circulated in TD/L.332), in which the main points were as follows:

- The need to promote "an equitable, reliable and healthy economy" with a completely new approach that took account of the profound transformations which had been occurring throughout the world for the past five years;

- A planned economy which stifles "private initiative" undermines the fundamental right of peoples "to take prime responsibility for, and to be the main architects of, their own social and economic progress";

- "Many of the current tensions were due to the failure of our time to amalgamate economic objectives and social objectives". What was needed was a humanist conception of development which, together with material well-being, would promote spiritual development;

- A meeting such as the one now being held in Cartagena should endeavour to persuade politicians as well as public opinion, to which it was responsible for its action, that "the interests of individuals and peoples are not coterminous with economic interests". To that end, "it was necessary to effect a profound change in people's outlook";

- "Social justice demanded that international trade, if it were to be humane and moral, should re-establish among the partners at least a degree of equality of opportunity. (...) It was immoral to disregard the barrier of suffering that separated the rich from the poor, since all men were equal in dignity; all men should have access to the means of living in truth, freedom and justice; and they were entitled to place their trust in the solidarity of others";

- Finally, he declared his interest in the endeavours of the representatives of the many nations gathered in Cartagena "to promote a harmonious development of all the peoples who make up the family of man".

213. The representative of Honduras referred to the background of broad transformations against which UNCTAD VIII was taking place. A world divided by ideology and driven by the fear of nuclear holocaust had been left behind. Thus, the need was even greater for a forum where such fundamental issues as sustainable economic growth, trade liberalization, the relationship between environment and development and the necessity to increase financial and technological flows to the developing countries could be discussed in a comprehensive fashion.

214. Honduras, having recently been an actor in, and a witness to, the end of military tensions in Central America, could now consider its development perspective with greater optimism. The country had embarked on adjustment programmes, which together with a movement towards closer economic integration within Central America, should facilitate the region's integration into the trade flows of the modern world. Honduras was also part of larger integration efforts, in particular those with Colombia, Mexico and Venezuela, as well as within CARICOM.

215. To contribute effectively to a better and healthier world economy, in which the parameters of interdependence were reoriented towards real growth, UNCTAD should reinforce its role as a forum for reflection and objective analysis on the issues of trade, finance, transfer of technology, the relationship between environment and development and the complementarities between government programmes and the activity of the private sector. To do this, UNCTAD should henceforth adjust its methods of work and mechanisms enabling it to adapt better to the new international realities. The current system of committees appeared slow and repetitive. Being locked into a rigid format was incompatible with the new orientations in North-South relations. To improve its chances of dealing in depth with the truly important issues on the development agenda, UNCTAD should now associate experts and experienced organizations more closely in its debates.

216. Three types of action were likely to reinforce UNCTAD as an institution. First, the convening of an intergovernmental group of senior officials to review, formulate and coordinate the initiatives and proposals which UNCTAD VIII would adopt. Secondly, the convening of an inter-institutional group of experts from competent organizations of the United Nations system to consider a plan of action for implementing the Cartagena Declaration to be adopted by UNCTAD VIII. Thirdly, the planning, in the course of the next two years, of a meeting of the Trade and Development Board at the ministerial level, where commitments for action could be agreed upon. The work produced by the intergovernmental group mentioned first would serve as the basis for the latter endeavour.

217. The representative of Hungary stressed that since UNCTAD VII, far-reaching economic and political changes had taken place in the world, in particular in Europe, new trends had emerged in the integration processes of different regions of the world. These events emphasized the need for international cooperation aimed at managing interdependence.

218. Experience had proved that the market economy offered the only path to development: the centrally planned economy model had failed. Hungary was able to render the greatest assistance to the developing countries by sharing with them its own experience with this "model" and making them aware of its most serious economic defects which eliminated all driving forces of development, namely competition, private initiatives and innovative spirit. The defunct dirigiste system only led to obsolete production structures and product patterns and, as a final outcome, high indebtedness.

219. As regards Hungary's experience in building a market economy based on democratic values and principles, emphasis was to be laid on the successful setting up of the legal framework for a market-based economy, the advanced stage of the process of privatization, the actions taken to contain inflation as well as those to absorb the effects of switching the trade with the former Council for Mutual Economic Assistance member countries to a hard currency basis.

220. Hungary had scored a remarkable success. However, the positive results were accompanied by serious problems, in particular the high rate of unemployment. These difficulties implied that Hungary could not undertake concrete actions and assume new commitments vis-à-vis developing countries. Nevertheless, despite these economic difficulties, there was no intention to resort to measures of protectionism or to keep the country's inefficient economic units alive by artificial means. Hungary was interested in successfully concluding the negotiations of the Uruguay Round as soon as possible, on the basis of the package already worked out.

221. The conclusion of an association agreement with the European Community was the first significant step on the way towards Hungary's complete integration into Europe. Hungary also attached great importance to the free trade agreement with EFTA, which was still under discussion. Further, the political leaders of Hungary, Poland and the Czech and Slovak Republic had agreed to establish a special partnership, including the conclusion of a free trade agreement. While Hungary was expecting the support of the international community, the country did not have the intention of competing for assistance funds set aside for less developed countries.

222. UNCTAD had an important role to play in the future, but needed to be renewed in virtually all respects, taking into account the new realities. In this respect, over-politicized ideological approaches had to be excluded. Rather UNCTAD had to concentrate on pragmatic issues important for all. Further, overlaps should be eliminated. A rational distribution of tasks was to be established among UNCTAD, GATT and the international financial organizations. Analyses of global issues and open debates reflecting the interests of the individual members rather than rigid positions of groups had to constitute the basis of the policy coordination needed for international cooperation. The intergovernmental constituency of UNCTAD had to be transformed accordingly. Much greater attention had to be paid to good governance and sustainable development.

223. The representative of India said that India was in the midst of a big and bold structural adjustment and transformation process. Changes in the world economy and structural adjustment efforts by developing countries had altered the terms and context of the North-South dialogue. There was an emerging development consensus based on an intelligent mix of market orientation, efficiency and equity at the national and international levels. However, absolute poverty in developing countries persisted and the gulf dividing most developing countries from their developed-country partners in terms of production, consumption, share of resources, social infrastructure and technology had become wider.

224. India, as a low-income country, needed stable and substantially increased flows of development finance on concessional terms and improved market access for its exports. It had made tremendous sacrifices to remain current in debt repayments.

225. Developed-country partners were called upon to help sustain the developing world economically, because democracy could not survive if poverty persisted. In this respect, rationalization of consumption and distribution patterns in developed countries would contribute to channelling the surpluses so generated towards the developing countries.

226. The institutional strengthening and revival of UNCTAD was certainly one of the key objectives before the Conference. However, institutional adjustments should not alter the fundamental mandate of UNCTAD nor diminish UNCTAD's role. Its objective overview of all issues and policy areas and of all nations - developed, economies in transition and developing - constituted UNCTAD's comparative advantage. Institutional adaptation of UNCTAD should not, however, be the sole aim of the Conference: intergovernmental commitments by developing and developed countries should also be achieved.

227. Pending the conclusion of the Uruguay Round, keen interest should be taken in the establishment of a multilateral trading system based on rules and disciplines which were fair and equitable to developing countries and which respected the principle of differential and more favourable treatment to developing countries.

228. The multilateral framework on services should provide effective market access to labour-intensive services with the facility for temporary relocation of labour over a broad spectrum of skills. UNCTAD should take action that was

supplementary to that of GATT and launch, through its intergovernmental machinery and its secretariat, an integrated programme of international cooperation in the services sector.

229. A commitment was needed from developed countries to ensure access by developing countries to critical, new and emerging high technology, on preferential and concessional terms, especially in areas of global concern. UNCTAD should monitor these conditions of access and ensure that they were stable and non-discriminatory. It would be useful to continue and advance past work in the context of the draft code of conduct on transfer of technology.

230. UNCTAD should focus on the needs for development finance of developing countries, the role of domestic mobilization and allocation of resources. It should make proposals for a comprehensive debt reduction strategy for developing countries. A commitment to substantial increases in ODA, improvement in its quality and avoidance of non-economic conditionalities by donors were all required. Attention should also be given to a new SDR allocation and establishment of a link between SDR and development finance, which would help to remove the liquidity constraints affecting developing countries.

231. The legitimacy of intellectual property rights should not deprive humanity of the benefit of an invention. Any international agreement on norms and standards of intellectual property rights should take into account the concerns of all countries as well as their stage of development.

232. UNCTAD should have a prominent role in the follow-up to the United Nations Conference on Environment and Development, especially in areas of its mandate and specialization. Environment should not become a pretext for arbitrary and discriminatory protectionism. He emphasized the necessity of additional and substantial resources being made available to developing countries, if they were to undertake obligations in pursuit of environment-related agreements.

233. The representative of Indonesia declared that UNCTAD VIII coincided with a time when the international community faced an unprecedented conjunction of challenges and opportunities. Political and economic reforms were gathering momentum in many parts of the world, while the easing of tension among the major powers and the structural changes in the global economy had created opportunities for revitalizing the global development process.

234. At the same time, risks and uncertainties remained. This called for constant vigilance against the possible negative impact of global developments on the position of developing countries. Rapid technological progress, increasing integration among nations, and the inexorable globalization process could impart new dynamism to the multilateral trading system. He cautioned against any excessive focus on the part of developed countries on the dramatic, political and economic reforms in Central and Eastern Europe which might shift the emphasis of multilateral action away from poverty eradication and development for the majority of humanity. The emerging large economic groupings among major trading partners could also have a negative impact on developing countries if they became more inward-looking and protectionist.

235. The revitalization of the economies of the developing countries was the most important current global issue. A number of developing countries including Indonesia had carried out far-reaching economic reforms and structural adjustment programmes; nevertheless the outlook for sustained economic growth remained in question. The international community was therefore charged with urgent responsibility for creating a more favourable international economic environment and to forge strengthened international cooperation.

236. To stimulate economic activity against the backdrop of an increasingly interdependent world, good management was needed in both the public and private sectors, and not only in the developing world but also in developed countries.

237. The international aspects of good management were no less crucial because the national economic development efforts of the developing countries were bound to fail without a supportive international financial and trading environment. While many developing countries were liberalizing their trading regimes, protectionism and various non-tariff barriers were common in the developed countries. All countries needed to contribute to strengthening the international trading system and to support the Uruguay Round.

238. Any new debt strategy should encompass all seriously indebted low and middle income countries, including those countries which had not restructured their debt. Moreover, the international community needed comprehensive and lasting solutions to the commodity crisis, including the improvement of compensatory financing facilities for the shortfalls in export earnings of developing countries, as well as diversification. A framework for healthy and equitable arrangements in the field of services was also required. Developed countries needed to assist developing countries in expanding their technological capabilities to enable them to share the benefits derived from the advances in science and technology.

239. Good management should apply to all actors in the global economy, in both the public and the private sectors, and not only in the developing world but also in the developed countries. Good management at the national level had to be defined and evaluated along a spectrum of historical, cultural, social and political factors of each individual country and its range of national development objectives and priorities. It should also ensure social acceptability, as well as economic and political stability. Indonesia also stressed that the international aspects of good management were no less crucial.

240. The revitalization of UNCTAD needed to be based on a new spirit of partnership for development which was pragmatic, realistic and non-confrontational. The principal functions of UNCTAD needed therefore to be strengthened, including the establishment of an effective monitoring and follow-up mechanism. Indonesia emphasized that institutional reforms should not be prejudicial to the interests of the developing countries.

241. Indonesia also supported the second round of negotiation on the GSTP as it considered that ECDC provided an instrument for developing countries to secure effective and equitable integration into the world economy.

242. The representative of Iraq said that United States imperialism and zionism had continued to dominate the global economy. It was therefore important that all States should consolidate their efforts to rectify structural distortion. The political will of developed countries in this regard was a prerequisite for establishing a new international order on a secure, equitable and healthy basis. The existing North-South economic relations were characterized by asymmetry in the distribution of responsibilities and burdens. While developing countries were undergoing structural adjustment at considerable social cost, the industrial countries were maintaining protectionist barriers and subsidizing inefficient industries.

243. He affirmed that the economic embargo imposed on Iraq was a crime. The damage it had wrought in his country was comparable to the effect of atomic weapons. It was depriving 18 million people of food and medicine. The embargo had in fact been used as a weapon to achieve political aims under the umbrella of the United Nations. Security Council resolutions, including resolution 706, had intensified the embargo and hence the suffering of the Iraqi people. Such resolutions were a clear violation of international conventions, including the United Nations Charter. Humiliating and inhuman constraints, together with complicated and contrived commercial and banking procedures, had been injected into resolution 706 by the United States Administration; these constituted a flagrant breach of the sacred right to sustenance and manifested clearly the animosity and aggression of the United States Administration.

244. The embargo had caused stupendous human and economic suffering and he recalled that today - 12 February 1992 - was the anniversary of the bombing of the "shelter of Al Amirya" - a malicious crime which had taken the lives of 247 women and children. Buildings, institutions and the economic and technological infrastructure of his country had been destroyed. These assaults showed that some Western colonial powers, under the leadership of the United States, did not wish to see Iraq become a new source of inspiration in the march towards development and progress.

245. The media of the vindictive imperialistic powers had participated in a vicious campaign of misinformation, which had nothing to do with the events of 2 August 1990, and they had since been discredited. This misinformation included campaigns for food distribution.

246. The people of Palestine were another Arab people whose land had been unlawfully occupied. That occupation had been enforced with the help of the same major powers that had mobilized the agression against Iraq.

247. In this deeply distorted political environment, international organizations were confronted with a situation fraught with complications and ambiguities that rendered the fulfilment of their task very difficult. Against this background, UNCTAD was being called upon to reactivate vigorously its role in promoting constructive international negotiations and cooperation for the sake of development. The challenges facing the world were enormous. They covered a wide range of problems, particularly in the fields of trade, technology, services, commodities and financial resources.

248. Iraq, as a member of the developing country family, had nothing to add at this stage to the views embodied in the Tehran Final Documents, which reflected his country's own stand on the topics on the agenda of the Conference.

249. The representative of Ireland observed that the international community faced an exceptional conjunction of challenges and opportunities. The appropriateness of the response, both nationally and internationally, would determine the success of efforts to shape an economically healthy, secure and equitable world.

250. It was not easy to summarize rapidly the position at the beginning of 1992, given the very disparate range of countries which made up the world community. Despite the slowness of the recovery in the industrialized countries, economic performance in some developing countries had been encouraging. Nevertheless, long-standing problems of stagnation and poverty had persisted in many developing countries, particularly the least developed. A difficult international trading environment, reduced prices for commodities, along with inadequate resource flows, had compounded the structural weaknesses of many of the poorest countries.

251. While it was clear that each individual country had to take responsibility for its own development, this was not to deny the influence on development of the international economic climate or the role of partners. Precisely because countries should bear primary responsiblity for their own development, the effectiveness and accountability of both political and administrative structures were crucial to the implementation of their objectives.

252. Irish assistance efforts continued to be concentrated on four priority countries in sub-Saharan Africa. Three of these countries figured among the least developed group. The Irish bilateral aid programme was directed at assisting the poorest, in both urban and rural settings. Essentially pragmatic, the Irish aid programme was designed to help people to help themselves.

253. Continued commitment to Ireland's development partners was reflected in a planned programme of increases in Ireland's ODA so as to achieve a higher percentage share by the end of the 1992-1994 period.

254. As for the future role of UNCTAD, in a changing world, where old strategies were being abandoned in favour of greater emphasis on market forces, good government and democratic processes, UNCTAD should reflect the new development consensus. Failure to do so would render it increasingly irrelevant.

255. Ireland remained convinced of the need for a body whose focus on development was reflected in analysis and policy review, in discussion which advanced the process of consensus-building and in technical cooperation. The rigorous analysis of development issues should serve both to advance policy discussion and consensus-building and to define the objectives of UNCTAD's technical assistance.

256. The representative of the Islamic Republic of Iran said that UNCTAD VIII was being held at a time when all the expectations of developing countries for more active and equitable partnership and pragmatic cooperation remained unfulfilled. The current problems faced by developing countries included in particular their declining terms of trade, reverse flow of financial resources, a fall in mid-term and long-term export credits, lack of desirable access to modern technology, debt overhang and protectionism, which had compounded the unfavourable external environment, thus impeding their integration in the world economy and increasing their marginalization in the global environment. The end of the cold war, the emergence of new economic poles, the prospects for the reduction of military expenditures and the changes in the political, economic and technological fields would have a tremendous impact on the form and content of the international trade and economic system and on sustainable development. It was against this background that UNCTAD VIII needed to evolve an appropriate international strategy so as to promote a favourable environment for global development.

257. One of the most important challenges ahead would be to promote development in developing countries and to reverse their impoverishment. To attain development it was important, first and foremost, to be cognizant of the fact that it would be a global issue demanding the participation of all developing and developed countries. A world divided between a few rich and large masses of the poor was unstable and intolerable.

258. The global environment was ever more favourable for the enhancement of the instruments of cooperation, since the resources set free as a result of *détente* could now be devoted to the elimination of underdevelopment. Referring to the Tehran Declaration, he indicated that elements for a new partnership for development, such as stabilization of the prices of commodities, access of developing countries to developed markets, removal of tariff and non-tariff barriers, technology transfer, debt relief, and division of markets on the basis of comparative advantages should become the basis of a new global consensus, which also required from the developed countries the implementation of effective structural adjustment in their economies.

259. UNCTAD VIII should give special attention to the enhancement of regional economic cooperation among developing countries, to pave the way for the improvement of trade and development in these countries. Developing countries with certain potentials could, through concerted efforts, stimulate their economic and trade activities. The strengthening of GSTP - accession to which the Islamic Republic of Iran had last month ratified - was an important endeavour in this context.

260. The eradication of poverty required new mechanisms and approaches to fundamental principles for an internationally agreed and equitable trade and economic system. UNCTAD should play an important role in this process. He therefore expressed the hope that the eighth session of the Conference could take the necessary decisions so as to revitalize UNCTAD in its task of rendering services to the world, and specifically to developing countries.

261. The attainment of sustainable development in a politically tense, hostile, and inequitable international environment was almost impossible. Sustainable development called for a world order that took into account the

independence of all nations, the preservation of their territorial integrity, the cessation of the plundering of resources, respect for genuine human rights and man's spiritual values. Regretfully, arrogant views vis-à-vis the nature of a world order had been a matter of great concern. Arrogant support extended to the occupying regime in Palestine had seriously disturbed the realization of a world order, leaving behind a destructive impact on sustainable development in the region. An order that sought to bolster oppressors and tyrannize the oppressed or resort to military threats could not mitigate international tensions. Such an order was incompatible with development.

262. Environmental protection, particularly in the Persian Gulf, was a matter of great concern to the Islamic Republic of Iran, in view of the environmental devastation of the sea and coastal areas resulting from the war in the Persian Gulf. Environmental protection was a global concern requiring the active participation of industrial countries which had played a major role in environmental degradation; the formulation of environmental regulations should not be permitted to further impede the flow of exports from developing countries.

263. Referring to years of international pressures, economic embargo and an imposed war for which the other party had finally been recognized as the aggressor by the former United Nations Secretary-General, he stated that major economic reforms, in particular the formulation of rules and regulations for investment, free trade and the liberalization of economic activities had been implemented in the Islamic Republic of Iran. These had all paved the way for regional and international cooperation.

264. The representative of Israel said that issues such as trade, development and the international monetary system required a new global understanding. In the field of development - where UNCTAD had an essential development mission - a holistic approach was necessary, encompassing protection of the environment, social and demographic problems, and the eradication of poverty. The mandate of UNCTAD, as defined in General Assembly resolution 1995 (XIX), was essentially "trade development" oriented, but not "development" oriented. A critical questioning of the original mandate of the organization should pave the way to new approaches.

265. More could be done to learn from the experiences of the newly industrialized countries of Asia and Latin America or of his own country, which had bridged the gap between the developed and the developing countries and whose particular experiences, especially in overseas markets, development and privatization, could be of relevance to others. Likewise, concepts of integrated regional development, particularly at the rural level, were of great relevance; they required greater regional specialization and a greater emphasis on regional and local activities. Further, greater emphasis on enterprise promotion and the development and analysis of market signals was needed.

266. Israel had presented practical proposals in this respect. The strategy of sustainable take-off through a transitional economy approach presented to the Special United Nations Conference on Africa in 1986 attempted to combine

the vision of a comprehensive intersectoral development process with pragmatic decentralized planning, programming and implementation. Israel focused on expanding technical cooperation with other developing countries in a wide variety of areas, with the accent on human resource development.

267. Technology was a key element in sustainable development and needed to be carefully selected and adapted to the specific needs of each country. Key elements in attracting technologies were the establishment of a sound infrastructure, a good legislative framework and fiscal incentives. Israel was in a position to share home-grown technologies and know-how with others.

268. The debt burden of developing countries had remained largely unchanged at the end of 1991. Exceptional measures needed to be taken in favour of the least developed countries and the sub-Saharan African countries. Further, a reform of the international monetary and financial system was an imperative, with the emphasis being placed on the enlargement of official transfers without corresponding increases in the debt burden. In the long term, the problem of external debt could be contained only through a shift to such mechanisms as direct foreign investment, enhanced access to capital markets and the creation of stock and share markets.

269. Another source of finance to increase the financial capacities of the developing countries could be the resources released as a result of disarmament. Moreover, considerable savings could be obtained from the adaptation of military industries to the needs of civilian development; this might be the subject of analysis by UNCTAD.

270. An impressive, even historic, demonstration of the possibilities provided by regional cooperation and development had taken place recently in Moscow during the multilateral talks within the framework of the Middle East peace process. Israel had presented the participating countries with concrete projects for regional cooperation and development in the various fields, designed to generate confidence-building and progress towards peace.

271. Politicization of UNCTAD would only hamper the role that the organization could play in addressing the problems which demanded attention. Most delegations had dealt exclusively with matters of specific concern to UNCTAD; a few others, however, had chosen to introduce some extraneous political matters, but out of respect for the Conference Israel would not indulge in a refutation of those allegations. Israel had already placed its position on record in the forums concerned.

272. Israel supported the efforts for the reform of UNCTAD and hoped that the proposed restructuring would eradicate the anomaly which had prevented Israel from joining any regional grouping and would allow his country to play a constructive and positive role in the work of the organization. Israel supported the proposals made by Group B and Latin American countries aiming at increasing the efficiency and flexibility of UNCTAD.

273. The representative of Italy said that his country fully shared the views and the commitments contained in the statement made by Portugal, on behalf of the European Community and its member States. Italy was committed, together with the other member States of the European Community, to the construction of

the European Union. Within this historical undertaking, cooperation for development was to be given the position it rightly deserved. In cooperation with the other member States of the European Community, Italy would endeavour to pursue a new partnership for development. The common goal would be to lay the foundations of a process of sustainable development and balanced economic growth, with special regard to the eradication of poverty.

274. The process of European integration would have positive implications for the rest of the world. Europe had no intention of becoming a fortress, closed to the demands and expectations of the outside world. On the contrary, Europe wanted to be at the centre of concrete initiatives aimed at attaining a higher degree of international solidarity, in a context of ever-increasing global interdependence. Solidarity was not only the result of a clear moral obligation, but also the most forward-looking way of protecting national interests.

275. While the risks of global conflict had been drastically reduced, a new and more far-reaching concept of security was dawning, involving other dimensions in the economic, social and environmental fields. Problems such as widespread poverty, mass migrations, natural calamities, epidemics, drug trafficking and unemployment might jeopardize the prospect of a new and more equitable world order. The solution of those problems called for a new partnership.

276. Italy noted with satisfaction that the debate at UNCTAD VIII was more concrete and guided by a renewed spirit of cooperation. The decision to abandon the rigid negotiating mechanism through the group spokesmen had been taken during the term of Italian coordination of Group B. The new system had made it possible to express a wider range of views and better achieve mutual understanding.

277. The debates so far had stressed the primary responsibility of the developing countries for their economic growth. Although progress had been accomplished by several countries on the path of reforms, a central place must be given to the pursuit of democratic principles and institutions in the necessary structural adjustments that each country needed to carry out. Democracy was a prerequisite for stimulating free initiative and entrepreneurship. Each country had to ensure respect for human rights and to eradicate corruption. Special attention had to be paid to programmes of regional integration and to South-South cooperation, as well as to environmentally sound growth patterns.

278. Italy had followed with interest the special meeting devoted to the problems of least developed countries and had concluded that a full and timely implementation of the Programme of Action was imperative. Italy had pledged to increase its contribution in favour of LDCs to 0.20 per cent of its GNP.

279. All efforts had to be made to bring the Uruguay Round to a balanced and successful conclusion. The international debt strategy had to continue to be implemented with determination. The report presented to the United Nations Secretary-General by an eminent Italian statesman, Mr. Bettino Craxi, had contained a number of constructive suggestions and proposals that could serve

as inspiration for significant concrete initiatives. While ODA was not the only solution to development problems, its amount had to be increased, in view of its catalytic role.

280. There was a need to adjust the structure and working methods of UNCTAD to the new international reality. An UNCTAD that fostered on political dialogue, technical assistance and the negotiation of realistic commitments was the goal.

281. The representative of Jamaica said that participants had come to Cartagena to agree on action to stimulate, promote and sustain a world economy that was healthy, secure and equitable for all, and to revitalize the moral and practical authority of UNCTAD. The world had changed and all Governments and institutions had to adapt to new perceptions and needs.

282. In recent years, UNCTAD had suffered from a crisis of identity. However, its mandate remained valid and it was even more relevant today. There were welcome signs of renewal of the commitment to the goal of development. While changes in the structure of methods of work were necessary, it was governmental policies and decisions which would ensure that UNCTAD once again played a role in helping to manage the global economy through analysis, discussions, the promotion of cooperation and, when necessary, negotiation.

283. Developing countries had the primary responsibility for their own development. At present, however, the essential parameters were often defined by others. It was important that in a new partnership for development this asymmetry be clearly understood. A revitalized UNCTAD could link the needs of both developed and developing countries and in this context enable the latter to participate meaningfully in decision-making which impacted on them.

284. Developing countries had diverse needs and experiences. For instance, size was an important factor. However, to move forward, it was necessary to look to well-defined strategies such as the role of human resources development which made notions like that of size irrelevant.

285. UNCTAD could provide appropriate interdisciplinary analysis to developing countries which were confronted with many new options as they tried to consolidate or strengthen their own regional arrangements. Given the need of developing countries to explore new markets and to diversify and extend their range of exports, while conforming to specifications and the preferences of the consumer, UNCTAD could help in establishing and improving information systems, promoting greater and more cost-effective use of endogenous and new technologies, and promoting natural-resource development for facilitating diversification.

286. Although the full results of the Uruguay Round were not yet known, it was hoped that the understanding which underpinned the system of multilateral trade would be fully respected. It was also essential for UNCTAD to be able to develop an international consensus on how debt was managed. Although countries such as Jamaica had adhered to a series of IMF stabilization regimes and World Bank structural adjustment programmes to reduce the balance of payments deficit, they had still become heavily indebted. Owing to the need to service external debt, almost 40 cents of every dollar earned by Jamaica had to be paid to creditors. Moreover, their debt was owed largely to

official creditors in multilateral agencies and this debt had not been rescheduled. UNCTAD was well-placed to develop an international consensus such that countries in the midst of prolonged processes of stabilization were not net transferers but rather receivers of resources.

287. Within the context of a revitalized UNCTAD, new and imaginative consideration needed to be given to the long-standing concerns about resources for development, trade, science and technology and commodities, together with the new issues arising on the global agenda. Solutions to these problems were not beyond the world's capacities.

288. The representative of Japan said that although the cold war was coming to an end, a stable and enduring world order was yet to be created. In this context, the single most important issue could be the North-South problem. Owing to humanitarian considerations as well as the consequences of interdependence, the North would not enjoy prosperity without the development of the South. The emergence of new problems of global dimensions such as those relating to the environment, refugees, drugs, population and terrorism called for all countries to join together. The peace dividend resulting from changes in the international arena should be used for the good of all humanity, especially the people of the countries of the South.

289. Japan had been careful in watching that assistance to Central and Eastern European countries and the Republics of the former Soviet Union did not lead to a reduction in assistance to developing countries. It was hoped that developing countries whose military expenditures were excessive would reduce them and reallocate the funds to their own development. In order to achieve sustainable and stable economic growth, reform in internal economic policies, varying according to the specific circumstances in each country, was required. It was essential that the international community devise ways of supporting and encouraging such reforms. In this context, the mechanism of the market needed to function fully, access to markets improved and investment promoted.

290. Recognizing the urgent need for extending cooperation to developing countries in the form of official development assistance as well as external debt relief, Japan had been steadily expanding its ODA and had provided assistance in the form of grant aid to developing countries in severe difficulties, including those in sub-Saharan Africa. The expansion of external direct investment was another effective means of offering debt relief. Japan was the only developed country to support actively the Strengthened Debt Strategy with new official money. Japan was providing substantial debt relief but, with the current financial situation of developing countries, the provision of new money was in no way inferior to debt reduction.

291. For many developing countries which depended on a few commodities for export earnings, persistently low commodity prices were an important obstacle to development. It was important to improve the functioning of the commodity price mechanisms by expanding the exchange of information and by securing transparency through international commodity organizations. Japan had signed virtually all international commodity agreements and, as the largest contributor to the International Tropical Timber Organization, it was making

every effort to ensure that tropical rain forests were developed in a responsible manner. It was necessary to promote diversification and improve the processing of commodities; the second account of the Common Fund for Commodities could be effectively used towards this end.

292. Access to the markets of industrialized countries needed to be promoted: it was noteworthy that the tariff rates of Japan were the lowest of the major industrialized countries. Japan would continue to do its utmost to realize the early and successful conclusion of the Uruguay Round. It was also imperative that social and economic structures were devised for sustainable development which were compatible with environmental and resource constraints.

293. UNCTAD had produced concrete results by ambitiously promoting worldwide cooperation on trade and development. To regain its credibility as the major international organization responsible for guiding the world economy towards sustainable development, institutional reforms were needed to enable it to promote realistic and effective solutions. The new challenge facing UNCTAD was to draw up basic guidelines on the development problems of the 1990s. North-South relations should be addressed from the newly conceived standpoint of sustainable development and in the context of structural adjustment of the world economy. The Government of Japan was considering hosting a wisemen's conference in Tokyo.

294. The representative of Jordan said that UNCTAD, as a universal forum, had an important role to play in promoting international cooperation, global economic stability and reactivating world growth. The end of the cold war had eased international political tensions and had reduced the military budgets of many countries. This peace dividend should provide additional resources for human development and improve living standards in all countries. The United Nations system could now place more emphasis on economic and developmental issues, increase the efforts to end regional conflicts and play a larger role on the international political scene.

295. The important role of the United Nations system in the North-South dialogue should not be minimized and the economies of the LDCs as a group should be taken into consideration in UNCTAD and other United Nations forums.

296. World economic stability and growth depended on higher levels of international economic cooperation. This new partnership could become a consistent vehicle of growth and development, to the benefit of all countries. Regional cooperation between developing countries was an effective strategy leading towards self-reliance and economic development. Regional cooperation could play an important role also in infrastructural development.

297. The overriding political and economic goal of the future was sustainable development, which embodied social and economic progress. High rates of population growth had negatively affected the process of sustainable development. To alleviate the critical problems of overpopulation and poverty, improvement in population programmes and their integration into international development strategies was crucial.

298. To accelerate the development process, national and international policies had to be assessed in terms of a partnership. Resources for development represented a critical component of this partnership. The international community had to deal with the problems of heavily-indebted countries and should seriously consider substantial debt reduction for low- and middle-income countries. Some of these countries were meeting their financial obligations at high human cost and while they had made progress in reforming their economies, if present resource constraints continued, some would collapse under the weight of interest payments.

299. One of the main reasons for the decline in developing countries' share of international trade was increased protectionist trade measures. Often non-tariff barriers were directed at the industries and sectors in which developing countries had comparative advantages. Since 1980, commodity prices had fallen sharply and foreign-exchange earnings for most developing countries had significantly declined. The international community should adopt policies and measures to improve the present international trading system and strengthen multilateral cooperation.

300. The technological gap between developed and developing countries had widened in the 1980s. The terms of technological transfer to developing countries needed improvement. Developed countries should reduce restrictions and barriers to technology exports and facilitate access to new and emerging technologies.

301. Reform and adaptations of UNCTAD must be a continuous process, taking into account changes in the international political and economic climate. UNCTAD was a forum for policies, where discussions should lead to the clarification and fine-tuning of recommendations and policies that concerned all. UNCTAD should undertake studies and research and continue to strengthen its mandate in dealing with major issues of the world economy. In view of the important responsibilities facing UNCTAD in the future, and its impact on world trade and development, there was a need for a collective international effort to strengthen the organization and enhance its efficiency and effectiveness.

302. The representative of Kenya said that the Conference was taking place at a time of global change bringing about a more peaceful and secure world and improved international relations. The process of globalization was exerting considerable influence on the international trade environment. These changes presented both challenges and opportunities to the international community, and required decisive efforts towards strengthening national as well as international action in promotion of meaningful multilateral cooperation.

303. The developing countries were still faced with difficult economic, social and political problems. Kenya, which depended on agricultural exports for over 50 per cent of its receipts, had embarked on the development of the manufacturing sector in its diversification efforts. Over the last 10 years, Kenya had pursued pragmatic economic policies that had yielded satisfactory results. These policies had resulted in a fairly liberal trade regime. In addition, Government divestiture from commercial and industrial activities had led to a more revitalized private sector. These economic reforms, which were aimed at freeing resources for private enterprise, were inescapable if Kenya was to continue its path of growth and development.

304. The international community had an opportunity to forge a new development partnership based on the convergence of perceptions of economic and social problems, the primary responsibility of individual States for their own development, and the need to maintain an enabling global economic environment.

305. Kenya had also embarked on political reforms in keeping with the need for transparency, accountability and good governance. These commitments needed to be matched by the international community through injection of increased resources if they were to have the desired results.

306. Kenya was concerned at the stalled Uruguay Round of trade negotiations at a time when compartmentalization of the global trading system threatened the spirit of multilateralism. Kenya therefore associated itself with the rest of the international community in urging the immediate and successful conclusion of the Uruguay Round.

307. There had been attempts to marginalize the useful role which UNCTAD had played since its establishment. UNCTAD was not only in the forefront in making the international community understand the problems of development, but had actually played an unmatched role in enabling developing countries to participate in the mainstream of the world economy. This had been achieved through excellent analytical work and the technical support and assistance given to developing countries.

308. Kenya was a beneficiary of all aspects of UNCTAD activities and had had very useful working relations with the UNCTAD secretariat in developing and implementing numerous projects that had contributed to the country's economic development. Kenya would therefore continue to support the organization in its endeavour to fulfil its noble task in the field of economic development. It was nevertheless time for working methods in UNCTAD to adapt to the new realities, without any alteration to the mandate of the organization, which continued to be valid; the onus lay with the membership of the organization.

309. The representative of Kuwait said that the end of the cold war and of many regional conflicts would mean that a large share of the resources so far devoted to weapons of mass destruction could be devoted to development.

310. Kuwait had gone through the most painful events a country could suffer, since it had been invaded by surprise and for purely expansionist reasons by Iraq in August 1990. The occupation had lasted seven months and had seen the destruction of the economic foundations of the country through the burning of 700 oilfields which provided the main source of domestic income of the Kuwaiti people. However, thanks to the assistance and will of the international community, it had been possible to liberate the country.

311. Kuwait believed in liberty and international cooperation as a safe route to achieving a new international economic order based on justice and equal opportunities for all peoples. An interdependent and complementary world economy and global economic development could be achieved only under such an order. Economic growth could not be sustained if it were achieved only in the North.

312. The mobilization and better use of resources for the implementation of development programmes was the responsibility of the Governments and institutions of developing countries themselves. However, the developed countries had to open their markets to exports from developing countries to allow the latter to acquire the necessary foreign exchange and technology. The transfer of technology, as well as of new production, management and communication techniques, from developed to developing countries at reasonable prices was of fundamental importance.

313. Kuwait recognized the importance of South-South cooperation and welcomed regional economic groupings as a step towards more global international economic cooperation. This could not, however, be a substitute for North-South cooperation.

314. UNCTAD, which was part of the economic arm of the United Nations, had to play a more positive role, in particular to protect the interests of developing countries in ongoing multilateral negotiations, especially the Uruguay Round. In the latter, developing countries lacked the necessary negotiating power vis-à-vis existing large economic factors, as evidenced by the fact that developing countries were being requested to open their markets for trade in services at a time when their own merchandise exports to developed countries were still facing numerous barriers. This would negatively affect their already weak economies, and for this reason, Kuwait believed that the liberalization of trade in services should be limited for the time being to developed countries and to interested developing countries, according to the degree of their economic development.

315. Kuwait had always devoted a large share of its oil receipts to support for developing countries. Total grants and financial assistance provided between 1962 and 1991 had amounted on average to about 7.5 per cent annually of its GDP, and this was in addition to its subscriptions to various international or regional development institutions and to various loans on concessional terms.

316. The Iraqi authorities were still detaining a large number of Kuwaitis for no other reason than their nationality. Kuwait appealed to the Conference to devote its attention to the cause of the liberation of these people as a matter of urgency.

317. The representative of Liberia welcomed the special attention given by UNCTAD VIII to the problems of the least developed countries with a view to bringing into focus the need for concerted efforts by the international community to alleviate the pressing problems with which LDCs would be confronted during the 1990s. The 1980s had been a period of difficulty for Liberia. The growth rate of the GDP had lagged far behind population growth, and the level of economic activity in most of the productive sectors had also declined persistently, with serious consequences for the social and economic welfare of the Liberian people.

318. The civil conflict which had engulfed Liberia in 1990 had plunged the economy into a state of near total collapse in all sectors. To reverse the trend of economic deterioration, Liberia had adopted an Economic Recovery Programme designed to: stabilize the economy; maintain a viable

balance-of-payments position in the medium term; reduce the level of inflation; stimulate increased domestic output, savings and investment; reduce the direct role of government in economic activities; and provide a conducive environment for private sector development.

319. Liberia remained firmly committed to the more equitable participation of developing countries in world shipping, inter alia by means of bilateral and multilateral agreements between developing and developed countries. The coordinating role of UNCTAD and other international organizations in mobilizing technical and financial assistance for developing countries for the achievement of their goals and programmes in the field of maritime transport had the fullest support of Liberia and should remain the cornerstone of an international shipping policy which deserved the endorsement of UNCTAD VIII.

320. In 1990, the Government of Liberia had requested the United Nations to add Liberia to the list of least developed countries owing to adverse socio-economic conditions. The more critical conditions included a declining rate of capital formation, underdeveloped infrastructure, an inadequate health delivery system, and a high illiteracy rate. Other critical problems confronting Liberia were the heavy and increasing debt burden, particularly external debt, which weighed heavily on the country's limited budgetary resources.

321. The conditions facing Liberia at this critical time were in many ways similar to conditions in most of the least developed countries. However, the socio-economic effects of the civil conflict had added a new dimension to the crisis conditions, making the need for international assistance for rehabilitation, reconstruction and recovery even more urgent. Global trade and development trends were also expected to have an impact on the reconstruction efforts, due to the adverse effects of low world prices for primary exports, the debt payment and debt servicing burden, and other factors which had reduced the flow of resources to least developed countries.

322. Because of resource constraints, Liberia had to seek support from the international community for its economic recovery, reconstruction and reform programmes. In these endeavours, women and children must be given a special place. The development of an environmental management programme, which would take into account the need to conserve the natural habitat and improve the management of waste disposal, was also a priority area for the Government. Liberia therefore attached great importance to the implementation of the Programme of Action for the Least Developed Countries. Liberia's immediate needs for assistance were in the areas of international debt and debt servicing; attracting concessional resource flows to meet reconstruction and rehabilitation needs in all sectors; and obtaining the technical and financial assistance needed to implement policy reforms and strengthen key management institutions.

323. The representative of Libyan Arab Jamahiriya referred to the changed economic and political circumstances in which the Conference was taking place and the unfavourable international climate that was characterized by inequality between developing and developed countries, as manifested by the wide gap in levels of development and the consequential economic and social problems of developing countries. The Conference had to face these challenges

through honest and constructive dialogue. It was necessary to create common perceptions for effective decisions which would establish justice and mutual respect for the interests and rights of others as a basis for international economic relations. The Tehran Declaration, which the Libyan Arab Jamahiriya fully supported, offered a solid foundation for constructive and fruitful dialogue.

324. The 1990s would reveal a catalogue of problems: indebtedness, a decrease in net financial flows, reverse resource flows, the continued collapse of commodity prices, a decline in trade, increased protectionism and a wider technological gap. In addition, the relative scarcity of savings was entraining a generalized increase in interest rates and rationing of credit, to the detriment of the developing countries. Against a background of the requirement for reconstruction in the Gulf and the emerging needs of the former socialist countries, developing countries now faced more competition for funds. This meant that developed countries had to limit demands for funds by correcting their budgetary and balance-of-payments disequilibrium.

325. In the area of trade, developing countries faced an increasing number of protectionist barriers. The Conference should endeavour to contribute new elements for building a new international trading system free of discrimination against countries and giving preferences to developing-country products. In this respect, a series of measures should be considered: first, a halt to protectionism, followed by a coordinated reduction in barriers; secondly, the setting up of transparent mechanisms for evaluating the impact of protectionist measures by developed countries; thirdly, the study by the UNCTAD secretariat of the impact of regional groupings on both developing countries outside these groupings and on the international trading system; fourthly, an enlargement of the preferential margins of the GSP and the scope of its application, together with simplification of the rules of origin; fifthly, abstention from environment-related trade restrictions; sixthly, provision of a framework to enhance competition and eliminate restrictive practices; seventhly, creation of an international trade information network.

326. The Conference was seized with the important question of technology transfer and development. Developing countries, especially the least developed, were falling behind in this race. Despite all their efforts to acquire and develop technology, the developing countries faced restrictions on technology transfer imposed for political motives; they lacked sufficient funds to meet the cost of barriers imposed by protective property rights. Only through resumption of negotiations on the United Nations Code of Conduct for the Transfer of Technology could such problems be resolved.

327. As regards services, developing countries still faced grave problems related to technological restrictions, a weak financial underpinning, lack of trained human resources and defective infrastructure. The instability of commodity prices and their catastrophic decline were a major cause of the unsatisfactory economic performance of many developing countries.

328. UNCTAD had a vital role to play in analysing and elucidating development problems, and in studying the problems of trade, investment, services and technology. UNCTAD should be adapted to the new realities and problems but, in this context, its negotiating mission and its role in monitoring and following up on decisions should be emphasized.

329. Libyan Arab Jamahiriya faced many obstacles to development. The freezing of its assets in United States banks and their branches abroad and the subsequent economic boycott and measures to prevent the Libyan Government and its financial institutions from using their dollar reserves violated international legal obligations of IMF member countries and affected international trade and finance.

330. The representative of Luxembourg said that the Conference should help Governments move towards the goals aspired to in the United Nations Charter. The promotion of economic and social development and the provision of better living standards with greater freedom for all could be achieved only if countries undertook an objective assessment of the current world situation and if the projects ensuing from the Conference were realistic. Interdependence and complementarity were central concepts of development and trade was the key element. The struggle against poverty and the achievement of a fair distribution of income must be prime concerns as well.

331. Developing countries had to be the main instigators of their own development. Regional integration and cooperation were important instruments of development and should be encouraged wherever they could be reconciled with the multilateral trading system. One result of such integration and cooperation would be to reduce regional tensions and military spending.

332. In this Conference on trade for development, a central task was to determine how trade could promote development. Under present conditions, financial markets were integrated and there was considerable integration among national economies. Recently, however, protectionist measures had been emerging.

333. Several developing countries, in particular those of Africa, had had to undergo painful adjustment processes. Some countries had been badly hurt by low commodity prices, declining ODA and the increased burden of debt servicing. Sustained development could be realized only through growth but the unfavourable environment had wiped out the fruits of development efforts in many cases. The vulnerable groups were bearing most of the burden. This also jeopardized prospects for long-term growth. In these circumstances, the need for cooperation had to be better understood. Commitments had to be respected and strategies applied energetically.

334. UNCTAD VIII provided an opportunity to change the course of events. The international situation was not desperate if all countries fully understood the need for cooperation.

335. The representative of Malawi noted that the past decade had been a difficult one for many developing countries. Economic performance had been hampered by rising debts, falling commodity prices, adverse terms of trade and natural calamities. Malawi's problems had been exacerbated by a number of additional factors. A land-locked country, Malawi had been adversely affected by the closure of its traditional routes to the ports in Mozambique. In addition, Malawi played host to over a million refugees from Mozambique, representing over 10 per cent of the country's population.

336. A number of developing countries had implemented structural adjustment programmes with varying degrees of success. While these reform measures had created a favourable climate for private investment, there had been difficulties, particularly in the social sectors. Reduced budgets, which impinged on the provision of basic social facilities, had had a traumatic impact on the population. In some instances, policy changes had been detrimental to the existing economic base. Efforts to open the domestic markets, with a view to bringing about increased competition, had posed a threat to the survival of the few existing domestic firms.

337. As environmental degradation hindered prospects for development, there was a need to integrate environment and development imperatives into national policies. However, the difficulty of balancing basic survival needs against the associated dangers to the environment, inherent in meeting these needs, meant that the international community would have to undertake collective efforts to address this problem.

338. The donor community had made efforts to reduce the debt burden of developing countries. Some arrangements had resulted in the cancellation of bilateral debts and Malawi was one of the countries which had benefited from these initiatives. However, it was vital that such initiatives be intensified.

339. The commodity sector remained very important for a number of developing countries. In this context, several measures were necessary: the Integrated Programme of Commodities should be revitalized; international commodity agreements should be concluded; the United Nations Common Fund should be fully supported and the Multilateral Trade Negotiations within GATT should pay special attention to commodities.

340. Developing countries required adequate financial and technical support as well as market access for expanding exports of manufactured products. Infrastructural development in the economies of the developing countries was crucial, especially in the transport and telecommunication sectors. The land-locked least developed countries, particularly, had a geographical handicap that exacerbated structural deficiencies.

341. With regard to its future role, UNCTAD had so far done a good job in accordance with the terms of reference laid down at its inception in 1964 but the times were changing. There was now an overwhelming feeling that the organization should be responsive to the changes. Malawi hoped that the conference would set clear directions for a restructured UNCTAD.

342. The representative of Malaysia noted that UNCTAD VIII was taking place at a time when the world was facing the challenges of an unprecedented phase of economic and political upheaval. The envisaged new world order should be based on the rule of law, the sovereignty of nations and a collective commitment to social and economic justice. There was need for a freer, more viable and equitable multilateral trading system; Malaysia was committed to a balanced and equitable outcome of the Uruguay Round and urged all contracting parties formally to conclude the Round.

343. Collective actions were also required to give more meaning to global interdependence. There was a need to revitalize international economic cooperation to alleviate problems in the interrelated fields of resources for development, international trade, technology, services and commodities. Effective management of these interrelated issues could be achieved only through a shared responsibility in the development process by the international community. A balance had to be struck between what was expected of the developed countries and what needed to be undertaken by the developing countries.

344. The problems faced by many developing countries in the last decade highlighted the need for greater South-South cooperation, but the potential for such cooperation had remained largely untapped. Malaysia, together with other countries of the Group of 15, had given priority to South-South cooperation.

345. UNCTAD had assumed a central and crucial role in trade and development cooperation. However, the global situation had undergone a dramatic evolution, and if UNCTAD was to continue its role as a universal and democratic forum, its effectiveness had to be enhanced and its functions strengthened. The revitalization of UNCTAD required that its capacity and expertise be strengthened and that it put forward bold, innovative approaches to economic cooperation and integration. However, UNCTAD should not lose sight of its responsibility for safeguarding the common interest of developing countries in a multilateral trading framework.

346. Commodity policy needed to be strengthened, and Malaysia called upon the international community to cooperate in efforts to achieve the objectives envisaged under the IPC and to review international commodity policy which, to be effective, needed to focus on balancing supply and demand for commodities. The Common Fund for Commodities also played an effective role in supporting international commodity bodies; all countries, including the United States, should extend their full support to the Common Fund, particularly the Second Account.

347. The debt crisis of the 1980s had resulted in greater awareness on the part of developing countries of the need for structural adjustment and fiscal discipline, but there had at times been a lack of supportive and complementary action on the part of developed nations, hence the steep decline in resource flows to the developing countries in the 1980s and the negative transfers of funds. Developed countries should adopt the Trinidad terms of debt relief expeditiously to allow countries to return to viable patterns of economic sustainability.

348. Services had the potential of stimulating efficiency in key economic areas. Services negotiations in the current Uruguay Round had put tremendous pressure upon developing countries to liberalize the services sector, but there was a need for flexibility and a better understanding of the problems of developing countries.

349. Efforts to save the global environment should be viewed in a comprehensive and balanced perspective, with due emphasis accorded to promoting economic growth and sustainable development. Environmentally

sustainable development required the application of sound technologies, and developing countries needed access to such technology, which also required domestic technological capacity-building. To reduce environmental degradation and achieve sustainability, solutions were needed to such economic problems as overcoming the debt crises, reducing the tariff barriers and dismantling the non-tariff barriers of developed countries, and assisting developing countries in coping with current changes which required fiscal and non-fiscal adjustment.

350. The representative of Mali said that UNCTAD had been established with the objective of assuring an equitable international economic order and allowing developing countries to derive benefit from world economic prosperity. She observed that, since its inception, UNCTAD had registered a number of achievements, including the Integrated Programme for Commodities, the generalized system of preferences, the Common Fund, and the enlargement of IMF compensatory finance. UNCTAD had helped her own country, notably in the area of trade policy, FALPRO and SYDONIA.

351. Developing countries, and particularly the least developed countries, had had to make enormous sacrifices resulting from the implementation of economic reforms. In spite of these sacrifices, the developing countries' situation remained precarious and the number of least developed countries had increased from 28 in 1970 to 47 in 1991. Moreover, the deterioration of the external economic environment had jeopardized their macroeconomic equilibrium and their social and environmental programmes.

352. This situation required new initiatives to ensure adequate financing of development in developing countries. In this context, Mali welcomed the proposal made by the Secretary-General of the United Nations for the convening of an international conference on development financing.

353. As a least developed country, Mali was also affected by the economic crisis. Since 1982, a programme of economic adjustment had been implemented but the sharp fall in the international price of cotton, its main export product, had created difficulties in the achievement of economic targets.

354. In March 1991, changes in Mali's political regime had allowed the establishment of a pluralistic democracy based on the rule of law. Efforts had also been made to find a peaceful solution to the problem of rebellion in the North of the country.

355. Since UNCTAD VII, the world had gone through a number of transformations. Populations in the North and the South were asking for more freedom, democracy and social welfare. With the ending of the cold war, efforts were being made to reduce armament expenditures, especially in the most powerful countries. It was hoped that this would help all countries, particularly the poorest, to accelerate their development.

356. However, an adjustment effort was required, at all levels, in developing countries, developed countries and international institutions with a view to installing a new world economic order which was more equitable and conducive to durable growth.

357. UNCTAD itself should become more dynamic and should remain a forum for discussions and negotiations, with the participation of developing countries. UNCTAD should be more involved in the Uruguay Round to ensure effective monitoring of the fundamental principles and objectives which were the basis of an equitable multilateral trading system. In the area of commodities, the intergovernmental machinery of UNCTAD should focus on problems of production and export diversification.

358. Regional and subregional cooperation was of utmost importance for small countries, and in this respect, UNCTAD should be more active in providing advice.

359. UNCTAD should also contribute towards finding solutions for an adequate financing of development, particularly in the private sector, in providing advice for effective debt management, and in building up management capacity, particularly among women.

360. For the efficient performance of its tasks, a restructuring of the UNCTAD secretariat was needed and should be accompanied by an increase in its resources, as well as an improvement in the management of these resources.

361. The representative of Mauritania said that enhancement of national and international measures as well as of multilateral cooperation was a challenge to all, whether in the rich countries which extended assistance and counsel or in the developing countries making use of this badly needed support. The international situation emerging at the end of the cold war and the corresponding hopes to establish international peace and security meant that there was a possibility to channel resources towards the global prosperity of humanity.

362. The great hopes of the poor and the deprived based on a new international order had been beset by fears in the face of the greed and selfishness of those who wished to perpetuate an international economic order founded on the law of the jungle which not only endorsed inequality of opportunities but could also mean extinction of the weak. It was essential to promote a just and equitable international economy with cooperation based on the interdependence of the human element. Interdependence would succeed only through a new system of partnership generating benefits for all. Development was the common responsibility of the international community, but first and foremost it was the responsibility of the developing countries themselves. In this perspective, Mauritania since 1985 had laid down a development strategy designed to liberalize the economy, improve public finances and consolidate basic macroeconomic equilibria. The strategy also included ambitious investment programmes allocating more than one third of investments to rural sectors as well as improving health and education.

363. Development required the participation of the population; this could be achieved by ensuring democracy, human rights and transparency in the administration of public affairs. The development of countries was achieved through the development of man. In that connection, Mauritania was pleased to be regarded today as one of Africa's most democratic countries and one where respect for human rights was among the greatest. The reform policies and commitments undertaken by developing countries in cooperation with the

World Bank, IMF and other bodies must be matched by reform policies in the developed countries aimed at raising savings, safeguarding the macroeconomic balance, expanding markets and eliminating trade barriers. Otherwise, the developed countries would continue to squander the economic resources of humanity.

364. There was a need for donor countries to respect the aid commitments they had made at the Paris Conference on LDCs, especially on ODA and on the issue of debt cancellation and alleviation. Mauritania would be pleased to see concrete results from UNCTAD VIII that went beyond the usual compromise formulas, making it possible to put in place a multilateral management of international trade rather than unilateral measures. Mauritania hoped that the developed countries would accept willingly the need for the smooth transfer of technology, information, investment and research to developing countries on concessional terms. Efficient arrangements were also needed so as to avoid imbalances between supply and demand on commodity markets and to guarantee the stability of export earnings of developing countries.

365. Mauritania hoped that UNCTAD would pursue its work on the trade efficiency initiative, which represented a concrete gain for all. UNCTAD VIII should emphasize the unique role of UNCTAD in the field of analysing and studying international trade-support systems and the management of commodity markets as well as in extending technical assistance and information to the developing countries.

366. The representative of Mexico said that the new political and economic realities offered new opportunities for international cooperation but that, in a number of countries at different levels of development, the risks of ethnic and regional conflict and social tensions persisted.

367. While the globalization of production and progress in communications technology had intensified worldwide interdependence among markets, the world economy was faced with the problems of slow growth, macroeconomic disequilibria and protectionist pressures. This Conference was a unique opportunity to renew international consensus on cooperation and economic solidarity. In order to increase economic well-being, it was indispensable that countries pursue domestic policies conducive to growth and social justice, open up their markets, and strengthen the international organizations facilitating constructive dialogue among countries.

368. Mexico had switched from a focus on endogenous growth to a paradigm under which greater macroeconomic stability, increased efficiency of production and external liberalization were the keys to increased competitiveness and higher standards of living. The macroeconomic stabilization measures had included: an improvement in the public sector's financial position through both fiscal austerity and more efficient taxation; opening the domestic markets to international competition; and achieving social consensus for a substantial reduction in the rate of inflation. Increased microeconomic efficiency had been achieved through: the liberalization of trade and foreign direct investment; stimulation of technological development; and deregulation of sectors of vital importance.

369. Mexico was also trying to strengthen its economic links with, and to reinforce economic integration among, the countries of Latin America and the Caribbean through bilateral and multilateral agreements. The country was also negotiating a free trade agreement with the United States and Canada, which, while taking into account the asymmetries between these countries, would assure market access, eliminate trade barriers and introduce a mechanism to solve trade controversies, thus avoiding unilateral measures. This trade agreement would be fully compatible with GATT rules and would not imply any barriers to trade with third countries. Mexico had also signed a new cooperation agreement with the European Community. It included a mechanism for consultation over trade issues and a pragmatic scheme to intensify cooperation in areas such as trade, foreign direct investment and transfer of technology. Moreover, Mexico had strengthened, through membership in regional organizations, its economic links with the Asian and the Pacific region, and was trying to intensify economic relations with Africa and the Middle East.

370. However, all these efforts of internal and external reform could only bear fruit in an environment conducive to international economic balance. All countries having initiated a process of structural reform in order to integrate themselves fully into the dynamics of the world economy were now depending on an effective multilateral trading system, the structure of which reflected the complexity and heterogeneity of the present world economic situation and established clear and generally applicable rules.

371. UNCTAD, as one of the principal economic bodies of the United Nations, could not escape the need to review continuously its structures and modes of operation in response to the changing exigencies of economic development. Mexico therefore supported an institutional reform strengthening the analytical role of UNCTAD, its methods of discussion and its relations with other organizations. To this end, UNCTAD VIII should aim at reaching general agreement on specific questions, allowing a greater number of countries to share basic consensus. The Conference should also try to achieve greater flexibility in internal procedural matters, including forms of discussion, selection of topics and introduction of working groups, and it should harmonize the work programme of UNCTAD with that of other international organizations in order to better coordinate the phases of diagnosis and analysis with those of definition of objectives and selection of instruments of policies supporting the process of development.

372. The representative of Mongolia said that the more national economies were integrated into the world economy, the more they became vulnerable to changes which occurred abroad. The capacity of national economies to benefit from opportunities and to absorb external shocks differed considerably from country to country. Most developing countries still suffered from heavy debt burdens and a shortage of financial resources and technologies. Sound macroeconomic and structural adjustment policies in the developed countries were of major importance for the creation of the more favourable external environment which developing countries required; a favourable internal environment within the developing countries was also necessary, based on a sound overall development strategy.

373. Mongolia was undergoing dramatic political, economic and social changes. The old political system had collapsed early in 1990 and the first truly democratic elections had subsequently been held. The new Government had embarked on a comprehensive programme of economic transformation aimed at creating a market economy, expanding the role of the private sector, establishing a new banking system, liberalizing domestic prices, privatizing enterprises and promoting trade with the outside world. Mongolia faced major challenges as a result of dramatic changes in Eastern Europe and the economic difficulties of its main trading partners; exports and imports had decreased by over half and GDP by more than 15 per cent in 1991; the process of switching from a centrally planned to a market economy was clearly a painful one. Mongolia was convinced, however, that with its rich natural resources and the favourable changes which had occurred in the international community's attitude toward the country, the reform would be a success. Mongolia had joined the ADB, IMF, and the World Bank and had recently become an observer at GATT; it had also negotiated various bilateral trade agreements and investment promotion and protection agreements as well as a trade and economic agreement with the European Community.

374. The development and transfer of high and environmentally sound technology was instrumental in improving the competitivity of developing countries. Human resources development was equally a top priority but had not been adequately funded. Socio-economic advance required harnessing and fostering the inexhaustible potential of human capabilities, and UNCTAD should therefore pay great attention to human resources development.

375. A successful and balanced outcome to the Uruguay Round would strengthen the multilateral trading system; this required, however, a substantial package of concessions on market access for developing countries. The international community needed to support economic cooperation among developing countries so as to enable them to make better use of each other's trade, technical capacities and training facilities and thus to increase their contribution to the world economy.

376. UNCTAD should promote international economic and technical cooperation with an active search for new dimensions. It should continue to make efforts towards the effective mobilization of financial resources, particularly by establishing close working relationships with international financial institutions. UNCTAD should also pay attention to Mongolia in its activities on land-locked countries, as increasing transport costs were becoming a serious barrier to Mongolia's external trade.

377. The representative of Morocco observed that the eighth session of the Conference was being held at a time of rising hopes for real disarmament that would enable resources traditionally allocated to defence to be redeployed to the eradication of poverty in the world. There were also hopeful signs that macro-economic policies and regional integration projects were moving towards the principles of the market economy, of privatization of economic activity and liberalization of trade and financial policies, and that structural adjustment policies were beginning to take into account not only the economic dimension but also human rights issues, democracy and the environment.

378. At the same time, however, poverty and underdevelopment had worsened in many countries, in particular the least developed countries. This underdevelopment, coupled with an inequitable international trading system and an unfavourable distribution of savings among countries, constituted a real threat to peace and stability in the world. In the present context of interdependence, it was necessary to create a predictable and appropriate monetary, financial and trade environment, to ensure the training of national expertise, to promote the emergence of a new class of private entrepreneurs, to put in place the infrastructures necessary for sustained and autonomous growth, and to facilitate relations with the world economic system.

379. He wondered whether aid and development mechanisms and multilateral development institutions were fulfilling their missions adequately and whether they were ensuring an optimal allocation of their resources. It was necessary to redefine a global strategy for development which answered to the needs of the time and which took account of the specific political, social and cultural systems of all countries. However, certain issues such as environment, population movements, major endemic diseases and the macro-economic management of the world economy went beyond the narrow confines of individual nations and called for appropriate multilateral treatment and institutions.

380. While the work done by UNCTAD had been positive on balance, it was now necessary to take account of the changes taking place in the world, in particular the movement towards greater private initiative, in order to ensure a multilateral management of market conditions. The developing countries needed a forum in which it would be possible to lay the foundations of a predictable and equitable world socio-economic system, to strengthen individual and collective capacity for evaluating the ideas and proposals put forward by the developing countries, to meet the information needs of these countries, to provide the necessary assistance to those countries which requested it and to give the necessary support for regional economic unions such as the Arab Maghreb Union.

381. The success of Morocco's structural adjustment programmme, launched in 1983, had demonstrated that underdevelopment was in no way inevitable and that adjustment could be compatible with minimum growth. Structural adjustment programmes constituted a national responsibility and required great sacrifices, since the economic and financial partners of the adjusting economies did not favour exempting the countries concerned from the rules and disciplines they themselves applied.

382. One of the priorities for a revitalized UNCTAD should be to analyse the various components of development assistance, as well as the link between trade preferences and the global improvement of the competitiveness of the developing countries. Other important questions, such as commodities, resources for development, debt management and the budgetary and monetary policies of developed countries, should be discussed not only in the framework of the debate on institutional issues but also in relation to the harmonious management of the world economy.

383. The representative of Mozambique said that UNCTAD had performed remarkable work for the promotion of international development cooperation. The Conference was taking place at a time when international economic

relations were undergoing dramatic changes affecting all regions and countries. The disintegration of the socialist economic bloc had created opportunities for enhancing cooperation between OECD countries and countries in Eastern and Central Europe. The international community had a special responsibility in the global efforts to overcome the challenges faced by developing countries so as to alleviate the debt burden and promote sustainable socio-economic development. More effective broad-based policies and concrete measures should be adopted so as to find lasting solutions to the debt crisis in developing countries. Existing measures in the area of debt provided limited relief but did not address the causes of the crisis and lacked a long-term perspective. It was equally important to agree to a substantial increase in financial resources for development and to a change in traditional patterns of international trade.

384. Success in the ongoing reform processes, in particular structural adjustment programmes being implemented in developing countries, required fair and remunerative prices for commodities and the end of protectionist practices, which negatively affected world trade flows. Because of the lack of implementation of the Integrated Programme for Commodities, the deterioration in the terms of trade of developing countries continued. This problem could no longer remain unresolved. An action-oriented review of commodity agreements should be undertaken with a view to revitalizing and broadening the scope of such agreements to cover new products, as well as setting up a more effective mechanism for the enforcement of the provisions of such agreements. Diversification programmes in the commodity sector deserved particular attention.

385. The generalized system of preferences should continue to be progressively liberalized so as to allow an increased volume of manufactured and semi-manufactured exports by developing countries. Preservation of the environment and the protection of natural resources also deserved special attention in view of their implications for trade and development. To enable developing countries to cope with the emergence of regional trading blocs in developed countries, the international community should lend its support to regional integration among developing countries.

386. Mozambique concurred in the efforts and initiatives for the revitalization of UNCTAD so as to enable it to keep pace with changes in the international arena. UNCTAD's integrated approach to growth and development in developing countries was a valuable asset which needed to be preserved and expanded in the years to come, and its special responsibilities as a focal point for the implementation of the second United Nations Programme of Action for LDCs in the 1990s deserved greater support by the international community.

387. The representative of Namibia said that in spite of far-reaching global political and economic changes, the situation in the world would not be altered significantly without concerted efforts to achieve an equitable redistribution of wealth. It was necessary to create a "level playing field" to enhance developing countries' chances to achieve self-reliance. There was a real danger that without sufficient assistance from the developed countries, emerging democracies in Africa and elsewhere would not take root. The total eradication of poverty in Namibia was a priority. While Namibia had the long-term potential to finance its own development, external assistance in the short term was vital.

388. Namibia urged the developed countries to improve the conditions of market access for products from developing countries and to help strengthen world commodity markets. The increasing tendency of developed countries to change the character of the GSP from one of non-reciprocity and non-discrimination to one increasingly linked to non-trade factors was alarming.

389. The debt problem, in particular that of the LDCs, continued to be a cause for concern. There should be more generous terms of relief for the poorest indebted countries. Creditor countries should seriously consider cancelling the debts of all LDCs and other severely indebted low-income countries. Developed countries should reaffirm their commitment to the international debt strategy and to the internationally agreed aid target of 0.7 per cent of GNP. Developing countries were conscious of the fact that they could not rely on development assistance alone. It was important to take measures to enhance their investment climate and to encourage inflows of investments through the pursuit of sound macro-economic policies, including increased monetary control and financial discipline. Namibia was pursuing stable macro-economic policies and was maintaining an open and inviting attitude towards foreign investors. Cognizant of the investment drive by Central and Eastern European countries, and of the fact that multilateral cooperation for development was required, Namibia offered the potential for joint ventures and other forms of development cooperation.

390. Attention was rightly focused on the problems of environmental degradation. These problems called for co-responsibility on the part of industrialized and developing countries. Continued technical assistance and increased financial flows to developing countries could enhance production methods and lessen the pressure on the ecological system.

391. Development must moreover recognize the role and plight of women in developing countries. Failure to invest in the development of this human resource was self-defeating.

392. The representative of Nepal said that the economic situation in many developing countries remained highly unsatisfactory after a decade in which many of them had experienced not just stagnation but even negative growth. The situation was much worse in the LDCs, despite the implementation of the Substantial New Programme of Action (SNPA). The land-locked countries faced additional obstacles because of inherent geographical problems and structural bottlenecks. That was why sympathetic and generous assistance was solicited from the international community, which had now recognized that the goal of eliminating poverty in the LDCs would be achieved only through a concerted and global effort.

393. All LDCs accepted primary responsibility for their development, and many had undertaken corrective policy reforms and adjustment programmes. But the experience of the 1980s had shown that the efforts of these countries alone were not enough; official development assistance should be increased substantially commensurate with the increases called for to implement the Paris Programme of Action, and the volume of concessional assistance from multilateral financial institutions, development banks and other development funds should be expanded.

394. Although some positive efforts had been made to reduce the debt and debt service of developing countries, the debt problem continued to harm the development prospects of low-income and highly indebted countries, especially the LDCs. The debt-servicing burden called for a durable and lasting solution covering bilateral, multilateral and commercial debt. It should include the cancellation of debts due to developed countries and the provision of additional financial assistance to clear arrears to multilateral institutions.

395. Protectionist measures and restrictive trade and business practices had proliferated, harming the developing countries; in the Uruguay Round, therefore, negotiating countries should make all efforts to arrive at a balanced and equitable outcome. Urgent attention was needed to provide improved market access for the products of the LDCs, to increase their production base and to create adequate markets for their expanded production. Bilateral donors and international organizations could assist the LDCs in establishing industries and other joint-venture undertakings.

396. Reduction of transit costs was crucial for improving the trading prospects of land-locked countries. Concerted efforts with fuller participation of international organizations such as UNCTAD were essential to promote regional and subregional transit agreements and to help land-locked countries create an efficient transit framework.

397. Developing countries, and the LDCs in particular, were dependent on commodity exports for their export earnings, and better market access for commodities was urgently needed, as well as adequate pledges to help the Common Fund for Commodities achieve its objectives. Compensatory financing mechanisms should be improved and strengthened.

398. In bilateral cooperation among developing countries, greater emphasis should be laid on the preferential access of products to regional markets, on financial and technical cooperation for mutual benefit, on exchange of information and know-how and on collaborative ventures.

399. Following the general election based on adult franchise, a democratic Government had recently been reinstalled in Nepal whose main focus was to help improve the lot of the poorest of the poor. Nepal being both a least developed and a land-locked country, the Government faced insurmountable challenges in all sectors. Its efforts needed to be supplemented by an enhanced level of external assistance.

400. The reduction, and ultimately the elimination, of poverty was the biggest challenge confronting the international community. The only long-term solution was to maximize growth and reduce income inequality. The developing countries were making vigorous reform efforts at considerable social and economic cost, but a favourable external environment was equally important.

401. The representative of the Netherlands said that in recent years the loci of negotiations and discussions on issues such as trade and environment had shifted. UNCTAD would have to adjust to these new circumstances in order to become a building block in the new partnership for development.

402. In the area of trade, a successful conclusion of the Uruguay Round was of paramount importance. Results remained feasible if real concessions, even sacrifices, were made by all countries to roll back protectionism and trade-distorting support systems, and if contracting parties did not set over-ambitious targets. In particular, the developed countries carried a great responsibility. Failure of the Uruguay Round would be unforgivable. UNCTAD VIII could contribute to that effort by making a very strong and urgent appeal to all parties involved to live up to their responsibilities. For developing countries, a successful Uruguay Round would result in increased access to the markets of developed countries and to better trading possibilities among themselves.

403. Environmental degradation was a global problem which involved co-responsibility of industrialized and developing countries, and called for global partnership. The developed countries bore the main responsibility for the damage done to the earth's environment. Therefore they should give the example in adopting environmentally protective, but not protectionist, standards. Developed countries should increase the quantity and quality of their technical assistance and make available additional financing. Developing countries should recognize that addressing their local environmental degradation was primarily in their own interest. UNCTAD should develop the appropriate instruments for developing countries to do so and should also support the least developed countries in international negotiations. In that regard, the forthcoming report by the UNCTAD secretariat on tradeable emission rights was a good example of the contribution UNCTAD could make.

404. The role of the State was crucial in the development process. The State should ensure political stability based on consensus, due process of law and respect for human rights. It should secure a predictable economic environment and legal framework for the proper functioning of the market and the expansion of the private sector. A stable macro-economic climate was an absolute prerequisite for attracting foreign direct investment and for stemming the flight of domestic capital. The State should fight corruption at all levels. It should combat the drugs problem and money-laundering. Moreover, improved allocation of resources should also include the reduction of excessive military expenditures. Good governance was equally a responsibility of the developed countries, which had a particular responsibility for ensuring sustained recovery of the global economy. In the field of trade, they should take measures to grant increased market access to the exports of developing countries. Developed countries should also ensure that their environmental problems were not simply transferred to developing countries.

405. UNCTAD could play a role as a forum for the exchange of experiences and should assist developing countries along the road to good governance practices. The UNCTAD secretariat had a particular task to fulfil in assisting the least developed countries in their efforts to achieve good governance.

406. For many developing countries, particularly the poorest, external financial resources were an indispensable supplement to their own efforts and to the advantages offered by a more liberalized international trade system. The Netherlands was actively involved in efforts to find lasting solutions to the debt problem. Recent developments in the Paris Club aimed at debt alleviation for severely indebted low-income countries were welcome. However,

the Netherlands remained committed to more far-reaching approaches. Official development assistance was still of vital importance for many developing countries. The Netherlands had adhered to the target of 0.7 per cent of GNP and had even consistently surpassed it. She called on other donors also to meet that target.

407. The role of UNCTAD had gradually been reduced, locked up as it was in its own group system. UNCTAD was at a crossroads: either it continued along the traditional road, and the results of its work would have no impact on the capitals of its member States, or it was prepared to adapt to new realities. The Netherlands remained fully committed to working actively to introduce the necessary changes.

408. The representative of New Zealand said that, after three decades of existence, UNCTAD could show only meagre achievements, and should not continue its tendency to duplicate the work of other organizations which had greater expertise. UNCTAD should rather work in areas which it knew best, and where it had a comparative advantage. Analytical work on commodities was such a case and it should be strengthened. UNCTAD filled a gap in the coordination of international action aimed at accelerating economic and social progress in developing countries.

409. New Zealand considered that the secretariat's document introduced at the latest special session of the Trade and Development Board had been a step in the right direction. The document had sought to take account of the differing views of all participants and attempted to strike a balance in much of the drafting. However, development required more than texts. In particular, UNCTAD needed to acknowledge the differences existing between various categories of countries, including those within existing "groups". For New Zealand, the concept of differentiation was of key importance.

410. UNCTAD should guard against the assumption that resolutions of international organizations could of themselves ensure that Governments take effective action to help their poorer neighbours. Governments were not the principal actors: the private sector was. While Governments could, and should, offer ODA, other transfers would be a function of market forces. All Governments had to work to create the conditions in which such transfers would take place in a quantity and quality sufficient to narrow the gap between rich and poor.

411. The potential role of international trade in accelerating the development process could hardly be exaggerated. In this context, bringing the Uruguay Round to a successful conclusion was of vital importance for all countries. Those negotiations offered the best guarantee of long-term sustainable growth, free of the inhibitions and constraints inevitable in an excessive reliance on direct aid.

412. New Zealand considered that UNCTAD had a role to play in the new partnership which was so promising in the changed world environment. UNCTAD VIII must meet the challenge of adapting UNCTAD's methods to the new spirit of cooperation which had now emerged.

413. The representative of Nicaragua said that UNCTAD VIII was meeting at a time of challenges and risks without precedent which the international community would have to face. A new world order based on peace, cooperation and the gradual improvement of living conditions was possible, given the positive environment generated by the end of the cold war and the possibility of reducing military spending.

414. Nicaragua was undergoing a difficult transition to democracy and a market economy. During the 1980s, Nicaragua had accumulated numerous negative economic records; inflation had been extraordinarily high, and both industrial production and the purchasing power of salaries had collapsed. The new economic policy put in place in 1991 had enabled inflation to be vanquished and the budget deficit to be closed. Fiscal reform had broadened the tax base and improved tax administration. Trade and services had prospered.

415. Few were the historical examples of a country in which so tough a structural adjustment programme had been implemented with such positive results in the majority of sectors, including the industrial sector, usually the "loser" under such programmes. The reason was that the liberalization introduced had been extended to virtually all levels: exchange rates, licencing, state monopolies, import barriers, private banking. The high level of foreign aid had also played a major role in permitting the maintenance and even increase of aggregate demand. But this adjustment programme had not been without its negative effects, particularly a reduction in formal-sector jobs. In this context, it was important to note that some 20,000 public-sector employees had left the government voluntarily following the introduction of a generous "golden handshake".

416. It was well-known that most of the centrally planned economies had disappeared and that there was a growing consensus on the necessity to base economic systems on market-oriented policies. Only with greater cooperation among countries of North and South could the developing countries pursue their structural adjustment programmes in the face of their social costs. Such cooperation required the dismantling of all forms of protectionism, better observance of multilateral norms, reduction of both debt and debt service, declines in real international interest rates, increased non-debt-creating capital flows and ODA, greater technology transfer towards the developing countries and the assignment of a part of the savings from demilitarization to development assistance.

417. Primary commodity markets needed to work better and this required strengthened producer-consumer cooperation. Equally important was a balanced and positive outcome to the Uruguay Round, particularly as regards market access and ways of making operational the principle of differential and special treatment for the developing countries. Developing countries should also be given a certain degree of freedom to use policy instruments to ensure access to technology and guarantee its utilization for the common good.

418. The extension of large economic spaces had recently been remarkable. The probable effects of these large spaces were as yet uncertain, but in principle they should, if accompanied by an opening to the rest of the world, help to increase global economic growth. The "Greater Caribbean", an area

of 166 million inhabitants, comprising Central America, Colombia, Mexico, Venezuela and the Caribbean countries, was destined to become a major source of dynamism in the world economy in the 1990s.

419. The over-exploitation of natural resources and the degradation of the environment were closely linked in developing countries to the persistent poverty and the slender economic prospects of the poorest sectors of the population. Solving this problem required a strategy both to eliminate poverty and to acquire ecologically sound technologies. The developed countries should support such strategies, for they would be beneficiaries of an improved global ecological system. They needed also to change their consumption patterns so as both to protect the environment and to provide additional finance to the developing countries.

420. UNCTAD was the multilateral forum par excellence for the consideration of the problems and policies of development. It was therefore incumbent on the Conference to evaluate its structures and working methods so as to effect its revitalization. Certain principles should apply to UNCTAD's work. Analysis and evaluation of problems should be accompanied by a renewed dialogue so as to reach a real consensus among a greater number of countries, eventually leading in certain cases to negotiation and cooperation. The group system must be made more flexible by renovating the mechanisms of participation, the modalities of dialogue and the criteria for the selection of agenda items. A better linkage was also needed between the work of UNCTAD and that of other international organizations, with UNCTAD influencing the negotiations in those forums through the provision of assistance to the developing countries for the formulation of their positions.

421. The representative of Niger said that his country was currently undertaking a structural adjustment programme with the assistance of the World Bank and the IMF and it had benefited from support by the Bank as well as France and Switzerland in buying back commercial debt. After a period of satisfactory growth, Niger was currently suffering its most difficult economic crisis ever, owing to falling prices for commodity exports, drought and an unfavourable international economic climate. However, Niger was now embarking on the path to democracy and a liberal economy.

422. The least developed countries were making great efforts to apply policies which conformed with the Programme of Action agreed on at the 1990 Paris Conference. The structural adjustment had considerable social costs while its chances of success were slender. It was indispensable to have support for these policies by the international community and compliance by the developed countries with their commitments made at the Paris Conference. Much more needed to be done in the areas of aid, debt-relief, market access and commodities. World political developments since the Paris Conference had not been favourable for the least developed countries. Since their financing needs had become more urgent, it was imperative that donor countries attain the objectives of the Programme of Action. Donor countries and multilateral development institutions also had to take into account the increased number of least developed countries.

423. Despite the measures that had been taken so far, the debt burden of the least developed countries remained intolerable. An imaginative approach to solving the debt problem was required. This included concrete measures to reduce debt to multilateral institutions and to deal with arrears.

424. Special attention had to be given to market access for the least developed countries and to special treatment for these countries in multilateral trade negotiations.

425. The representative of Nigeria declared that UNCTAD VIII was taking place against a background of fundamental transformation in international political and economic relations which had created renewed hope as well as challenges for the international community and had great consequences for a new world order. For many African countries, including Nigeria, these developments had led to a rapid process of democratization. It was the duty of all countries collectively to confront these challenges with a view to improving the standard of living of all peoples.

426. The 1980s had been a lost decade for development in most parts of the developing world and in Africa in particular. Starvation, disease, drought, desertification, depressed commodity prices, debt obligations, trade-distorting discriminatory regional policies and a generally unfavourable external environment were among the problems. This had resulted in a drop of net resource flows to Africa as well as of export earnings; heavy indebtedness and costly debt servicing had impaired the development efforts of African countries.

427. These countries were aware that their fate lay primarily in their own hands; most of them, like Nigeria, had adopted structural adjustment programmes, often at great social and political cost. Although some isolated achievements had been registered, the full benefit of these programmes could not be realized owing to a lack of sufficient external support. The prosperous world should help by relieving the various burdens, such as high interest rates and fluctuating exchange rates affecting debt, because the collapse of Africa would have negative consequences for the rest of the world.

428. The various initiatives taken to solve the debt problem had proved inadequate, unsuitable or even unadaptable. Therefore, there was a need for more adequate measures such as outright debt forgiveness for all developing countries, or in the absence of substantial debt reduction, a complete suspension of debt service for a very long period of time, as was the case for indebted countries during the inter-war years. The hopes for international support raised during the 1986-1990 UNPAAERD had not been fulfilled and there was therefore a need to support the recent initiatives in the United Nations New Agenda for the Development of Africa in the 1990s (programme 45).

429. The African Economic Community had been launched in July 1991, with the aim of strengthening strategies for revitalization, recovery and growth of African trade and fostering economic cooperation in the region. For the success of the programme there was a real need for the support of the international community and UNCTAD, in particular.

430. The successful conclusion of the Uruguay Round should offer clear opportunities for strengthening the multilateral trade system. It must not result in new policies and practices that would hamper the efforts of developing countries to sustain and protect their infant industries and service sectors. UNCTAD should continue its technical assistance to developing countries participating in the Uruguay Round as well as its eventual implementation. UNCTAD's mandate and technical assistance should be broadened and strengthened. A follow-up mechanism to its resolutions and decisions should be established in the areas of: commodity trade; initiatives for resolving the debt crisis; a strategy for recovery and development; the strengthening of regional and subregional integration groupings; and the mobilization of local and foreign resources for regional development. Differences in the levels of development of member countries should be taken into account. The success of institutional reforms would depend on the political will and commitment of UNCTAD members.

431. The representative of Norway stressed the significant changes taking place in the world in recent years and the emergence of a global consensus on key development priorities and policies. This meant that there was a greater opportunity for the United Nations, including UNCTAD, to prove its role as a central tool to promote sustainable economic and social development.

432. Good governance was a prominent theme of the Conference, and without good national governance in developing countries, no economic and social progress was possible. However, good governance applied not only to the developing countries, but also to the industrialized countries which had a special responsibility to create a global economic environment conducive to growth and social advancement in the South. Nevertheless, good governance in the industrialized countries could never substitute for sound policies in the developing countries themselves. National policies were of crucial importance in the development process.

433. Developing countries needed outside support and assistance for their national efforts, but official development assistance from the OECD countries continued to be highly inadequate; there was a need for significantly increased efforts towards reaching the agreed 0.7 per cent target. Strong support for the World Bank's Special Programme of Assistance for African countries was crucial, as was real growth in the forthcoming IDA-10 replenishment. Donor countries also needed to fill the gap between words and deeds as regards assistance to the least developed countries.

434. Global environmental problems added to the need for increased assistance. The industrialized countries had the main responsibility for the creation of transboundary environmental problems, and they also had the main responsibility for solving them. Developing countries needed new, genuinely additional resources to be able to participate in the global effort called for.

435. The development efforts of many developing countries were being seriously hampered by debt problems. The circle of repetitive, costly and time-consuming reschedulings needed to be broken and the implementation of the Brady initiative speeded up; this required increased efforts on the part of both debtor countries and commercial banks. The growing arrears problems had to be solved, remaining ODA debts should be cancelled, in line with UNCTAD

resolution 165 (S-IX), and all members of the Paris Club should implement the modified Trinidad terms. In that connection, even a 50 per cent cut in payments due would prove to be grossly inadequate for many of the poorest countries; Norway was ready to extend effective debt reductions of up to 80 per cent on a case-by-case basis, in the context of the Paris Club.

436. The development and consolidation of a more open, fair and rule-based international trade system was one of the single most important issues on the North-South agenda. Norway hoped that the Uruguay Round could be finalized taking adequate account of the interests and legitimate needs of developing countries.

437. Average world market prices for commodities had long fluctuated around historical lows. The problems could not be overcome without increased diversification, local processing and market access. Environmental aspects of commodity production needed increased attention, and international commodity cooperation had to be strengthened. In particular, the Second Account of the Common Fund should be used to its maximum potential, and the establishment of new producer/consumer forums should be considered. Existing mechanisms for compensatory financing should be reviewed and, where possible, improved.

438. The substantive issues to be addressed by UNCTAD needed no major change in its focus. UNCTAD's strength came from its unique ability to address issues in an integrated manner. UNCTAD should strengthen its work as the central United Nations forum for economic analysis and debate on interdependence and interlinkages, for which it had comparative advantages *vis-à-vis* other multilateral bodies. In addition to the traditional items on UNCTAD's agenda on interdependence, some topical issues could be selected for more in-depth work: competition policies in countries in transition - both in the South and in the East - was one example. UNCTAD must also be equipped and prepared to contribute substantially to the follow-up of UNCED in areas within its mandate, and it should continue its special focus on LDCs.

439. Norway considered attractive the idea of transforming UNCTAD into a "North-South secretariat" or a strategic global "think tank" along the lines of the OECD. A reformed UNCTAD should be primarily a forum for analysis, exchange of views and search for an ever-broadening consensus between North and South. The normative functions of UNCTAD should be performed in a spirit of realism, and resolutions could very often be replaced by end products like "chairman's summaries". However, in cases where issues had been thoroughly analysed and practical results might be within reach, formal negotiations on resolutions, strategies or concrete guidelines for action might be appropriate, possibly involving more limited groups of interested countries.

440. The group system should primarily be used for the purposes for which it was intended, that is election and representation. Informal contacts and consultations across traditional group borders should be further encouraged.

441. There was a need to review the standing committees and other subsidiary bodies. Some of the standing committees could be replaced with ad hoc groups of true experts, while during Board sessions, repetitive general debates ould be avoided and increased participation by other international organizations, the business community, NGOs and academic institutions should be attracted.

442. UNCTAD's technical assistance activities should rest on a solid analytical basis and be coordinated with and complementary to other multilateral institutions in the field. A close interrelationship between analysis and debate, normative activities and technical assistance and policy advice should be ensured. Country policy reviews should be undertaken on selective issues, while taking care not to duplicate similar exercises in other forums.

443. None of these changes required alterations in UNCTAD's mandate; the reform process could therefore begin immediately, regardless of whether or not the GATT were transformed into a Multilateral Trade Organization. Likewise, reform efforts within UNCTAD should not be delayed by the overall process of the United Nations reform.

444. Finally, the main objective of the reform of UNCTAD was to make better progress on substantive issues, and it was thus meaningless to talk about a trade-off between institutional reform and substance.

445. The representative of Oman observed that UNCTAD VIII was being held during a period of far-reaching developments in international relations which provided an opportunity for a world-wide reduction in military expenditure that could be directed to economic development and lead to a better environment for commercial and technological cooperation. His country stressed the importance of pragmatic and non-confrontational dialogue which should safeguard mutual interests and aim at reaching tangible agreements capable of practical implementation. The rapprochement and diminishing conflicts in many parts of the world would enable the United Nations to concentrate more on its developmental role.

446. Increasing growth rates and improving standards of living were the primary responsibilities of developing countries, many of which had undertaken internal reforms to improve the management, and ensure the liberalization, of their economies. These endeavours, however, required a favourable international environment, such as market access and fair prices for their commodities, if they were to yield good results.

447. Economic cooperation and integration among developing countries was an important means for furthering economic growth, achieving sustained development and increasing efficiency, as well as for better mobilization of resources and wider trade opportunities. It was also a complementary and vital element for wider cooperation with the developed countries.

448. Besides the issues of commodities and external markets, other interrelated issues which had been discussed for many years, such as debt, resource flows and technology transfer, should be addressed in the new spirit of constructive partnership in development. Oman saw a need for new strategies in the area of debt and for increasing the resources of the international finance bodies in support of the reform programmes of developing countries, as well as for narrowing the technological gap between the developed and the developing countries.

449. He pointed to the progress achieved in Oman's socio-economic development, pursued in a pragmatic manner and based on the principle of self-reliance. He also referred to the efforts of his country for the conservation of nature and prevention of pollution and the preservation of the environment.

450. His country emphasized the importance of peace and stability in the Middle East region, and called for a just, lasting and comprehensive settlement that would achieve peace for all countries of the region, so that the Palestinian people could regain their legitimate rights and live in their homeland in order to concentrate their efforts on its rehabilitation, reconstruction and development.

451. The representative of Pakistan noted that the world was undergoing momentous changes in both the political and economic spheres and that the international economic climate, particularly for the developing countries, was extremely unfavourable. Rates of interest were high. Commodity prices were depressed. The problem of debt had assumed serious proportions and needed to be tackled on an urgent basis. The process of debt relief should not be confined only to some countries. Prudent countries which had been consistently servicing their debt charges at the inevitable cost of more potential social and economic progress should also be recompensed by a more equitable revision of debt liabilities. There was also a need for increased development assistance on easy terms.

452. Major obstacles in the way of development were the tariff and non-tariff barriers erected against imports from the developing world. With their removal, developing countries could move more rapidly towards economic self-reliance and the elimination of dependence on foreign assistance, both through increasing their exports and by the attraction of private investment flows.

453. Pakistan had undertaken far-reaching economic reforms, including bold measures of privatization, deregulation, disinvestment, currency exchange reforms and the removal of all possible obstacles in the way of foreign private investment. Foreign companies could invest in practically any industry and could now hold 100 per cent equity. However, the desired results could be achieved only if Pakistan were given better market access. Increased market access in such sectors as textiles could provide the motor force for Pakistan's economic self-reliance. Pakistan therefore favoured an early, balanced and successful conclusion of the Uruguay Round which offered a unique opportunity to halt protectionism, reduce trade-distorting agricultural subsidies, clarify international rules governing trade in services and intellectual property rights, and provide an early phasing out of the Multi Fibre Agreement.

454. The global environment and the need to halt environmental degradation was a priority which called for a new compact between the developing and the developed countries. However, it had to be recognized that poverty itself constituted one of the greatest threats to the environment. It was thus indispensable to recognize the link between development and environmental protection. It was also important to recognize the need for incremental assistance and technological flows to the developing countries to support environmental efforts.

455. During implementation of growth-adjusted structural adjustment programmes, the developing countries required unhindered assistance flows in the short term in order to minimize adverse human effects. Pakistan remained committed to UNCTAD and to the strengthening of its role. It was a matter of satisfaction that the Conference would be adapting UNCTAD to the changing world order so as to increase its effectiveness and expanding its role to cover new areas.

456. The representative of Palestine said that despite many positive results achieved by UNCTAD, the goals for which the organization had been created had not all been attained. This included the elimination of poverty. It was tragic that millions of people in developing countries suffered from poverty and famine while some developed countries were destroying part of their food produce in order to maintain market prices.

457. Developing countries were victims of the international economic system which remained in a state of structural disequilibrium punctuated by, inter alia, slow growth rates, inflation, unemployment, monetary instability and protectionism. Management of the world economy should respond more positively to the needs and problems of developing countries so that current disparities between developed and developing countries could be substantially reduced.

458. The debt problem had been at the origin of the net transfer of resources from developing to developed countries. It was likewise responsible for economic stagnation, falling per capita income, lower investment and reduced expenditure on public services including health and education, as well as serious threats to democracy and political stability. Debt reductions had to be stepped up significantly and all bilateral official debt of the LDCs and other very poor nations should be cancelled.

459. It was unfortunate that some countries resorted to a considerable number of protectionist measures which they did not hesitate to denounce whenever applied by their competitors. The bold trade-liberalization measures taken by developing countries contrasted sharply with the protectionist measures of developed countries. Attempts to introduce a new environmental conditionality might, inter alia, bar exports of developing countries from access to developed countries on the pretext of environmental protection considerations.

460. The population of Iraq was exposed to hunger and starvation; the international community should enable them to restructure and develop their economy without external interference. The question of Palestine was a political problem but the devastating impact of the Israeli occupation on the Palestinian economy must not be ignored. The living conditions of the Palestinian people had become intolerable and the end of the Israeli occupation was a prerequisite for their economic and social development.

461. For Israel peace negotiations were no more than a ploy to gain time during which it continued its colonial settlement activities in occupied Palestine and the Syrian Golan with a view to realizing the so-called "Greater Israel". Without external pressure on Israel, particularly from the United States of America, peace in the Middle East would remain elusive.

462. The representative of Panama recalled the economic and political problems which Panama had experienced. The period of military dictatorship had been accompanied by corruption and drug trafficking. During the 1980s, unemployment had reached 20 per cent and the health of the people had deteriorated. Following the election of a democratic Government, Panama had embarked on far-reaching reconstruction of the whole economy as well as efforts to reunite the Panamanian people. It had also been necessary to adapt the productive sector and the institutional infrastructure to the far-reaching global changes and make it more responsive. The Government had initiated numerous changes including the introduction of market rules where the economy could operate without restrictions and government intervention.

463. The reform measures of recent years had been aimed at improving international competitiveness; a recent law contained incentives to promote non-traditional exports so as to take advantage of the Caribbean Basin Initiative.

464. Since the Canal Treaty of 1977, little had been done to develop the area. The canal offered an opportunity to create prosperity for all the peoples of Panama but corrective measures were required to bring this about. The environment was another concern of the Government and programmes to conserve it were being given priority.

465. There had been increasing globalization and internationalization of the world economy, accompanied by the transformation of the countries of Eastern and Central Europe and the emergence of economic blocs. For these reasons, Panama, like other countries of the region, had reaffirmed the mandate of UNCTAD and the need for its revitalization. The revitalization of UNCTAD should lead to strengthened global analysis and policy coordination. UNCTAD should also establish adequate mechanisms to permit international coordination of development activities, in closer contact with regional and subregional organizations. Technical assistance should also be strengthened.

466. The service sector was of particular relevance to Panama. In this context, ASYCUDA and trade efficiency were of interest. The service sector offered employment opportunities and possibilities to earn export revenue. For these reasons, UNCTAD VIII had to ensure that UNCTAD continued to analyse the service sector and its relevance for development.

467. UNCTAD had also to pay attention to commodity problems and the GSP. Many developing countries continued to depend on commodities and the corresponding export revenues were crucial. It was important that tropical product exports from developing countries not be discriminated against. The agricultural policies of developed countries continued to have a negative impact on the commodity market. There was a need to liberalize markets, improve market access and reduce export subsidies, as provided for in the Ministerial Declaration of GATT in 1982. Moreover, the emergence of trade blocs had added a new dimension to the problematique related to commodities in international economic relations.

468. Finally, he said that environmental considerations also constituted a new aspect which was influencing the international commodity economy, since Governments and public opinion in both developed and developing countries were

increasingly emphasizing environmental factors in order to guarantee sustainability of development. Developing countries were above all interested in the eradication of poverty, increased production of foodstuffs, rising employment and exports, while at the same time ensuring the protection of the environment and the preservation of ecological balance.

469. The representative of Papua New Guinea drew attention to the plight of land-locked and island countries as well as to the resolution on "specific action related to the particular needs and problems of island developing countries", adopted at UNCTAD V in the Philippines in 1979. Though a few developed countries were making special efforts to assist them, as called for by the resolution, others had not done so. If urgent action was not taken to offset major handicaps, soon the countries at risk would become LDCs. A number of them had already met the criteria last year. Some preventive action at this stage might stop others from joining this group, which was growing at an alarming rate.

470. Papua New Guinea believed that developing countries might not benefit much from the changes in Eastern Europe; in the short term, in fact, much of the aid and investment flows which were expected to reach the developing countries might now be directed to those countries.

471. Papua New Guinea welcomed the announcement by the spokesman of the European Economic Community that the assistance offered to the Eastern European countries was only additional action and would not affect the present assistance offered to the developing countries. Nevertheless, some doubt remained as to whether investment funds would continue to flow to the developing countries.

472. Papua New Guinea exported more than 90 per cent of its produce in raw, unprocessed form. Though most of those products were not subject to duty in the importing countries, the picture was very different for semi- and fully-finished goods. While the developed countries had made major efforts to reduce tariffs over the past 20 years, in many cases the level of tariffs was still higher for developing countries than for developed countries. This should be rectified immediately with respect to semi-processed goods.

473. Certain Governments were drafting laws to block the importation of tropical timber, without any knowledge of the stringent environmental laws and regulations which were in place to ensure the conservation of forests in Papua New Guinea. An indiscriminate ban not only interfered in the affairs of an independent country, but also took away one of the few chances to develop an export industry which could give employment to thousands of people with no other means of survival. Bans, if any, should be applied only if a country had no plans to conserve its forests. The Government recognized the importance of environmental protection and had taken measures to conserve the environment.

474. As domestic savings were small, developing countries required foreign investment, as the engine for trade and development. The question of the flow of foreign investment should be further studied by the UNCTAD secretariat and so a detailed analysis of the effects of foreign investment on trade should be included in the next analytical report.

475. UNCTAD needed to be responsive to present needs, provide proper analysis, act as a forum and, above all, provide technical assistance on matters related to trade and development.

476. The representative of Peru said that the outcome of UNCTAD VIII was of vital importance for trade, direct investment and transfer of technology to strengthen development. The Peruvian Government had adopted a stabilization programme and structural reforms and normalized its international financial relations. Hyper-inflation had been brought under control and trade liberalized; new measures had been taken to stimulate investment, to privatize State enterprises and to rationalize the structure of the public sector.

477. While domestic reform efforts to increase the efficiency of investment were indispensable, a more favourable and stable international environment was also necessary. Without an adequate degree of urgent international cooperation, the structural adjustment efforts of the developing countries might fail. In the case of Peru, the problems of adjustment were exacerbated by terrorism and drug-trafficking, which were highly destructive for economic activity, export expansion and preservation of the environment.

478. The case of Peru showed that a democratic developing country could embark on a path towards efficiency and fruitful interdependence with the world economy, provided that it was supported by concerted multilateral efforts on the part of the international community. UNCTAD VIII should therefore aim at promoting the concept of a new partnership for development which had to be translated into concrete action for mutual benefit. A world summit on social development and an international conference on the financing of development could have a crucial impact on North-South relations.

479. The persistence of underdevelopment and extreme poverty in vast regions of the planet still constituted the principal cause of instability and conflict. This had to be tackled with urgency in a coordinated manner. Drastic and immediate reduction of unproductive, especially military, spending was essential. A Peruvian initiative had led to an agreement among Governments making the Andean region the first zone in the world free of weapons of mass destruction. Recently, Peru had also made a proposal to other countries in the region to reduce military expenditure by 50 per cent.

480. Good international administration required increasing participation by developing countries in the decision-making process concerning the international monetary system. A transparent and genuinely competitive international trading system was also vital.

481. Promotion of sustainable development was a universal objective; Governments, international institutions, non-governmental organizations and transnational corporations had to cooperate in order to make environmental preservation an objective in the daily life of everyone. However, many countries could not adjust the process of development to the requirements of environmental conservation. Additional financial and technological flows to these countries were therefore necessary, and UNCTAD had to strengthen its work in this respect.

482. The priorities in the future work of UNCTAD should deal with debt, trade commodities adjustment and institutional reform. UNCTAD should assess the debt relief requirements of all countries needing it. The result of this assessment should be accepted by creditors as a basis for negotiating the terms of debt reduction. The international debt strategy had to be extended to allow for a general reduction in official debt. A most-favoured-nation clause should be introduced in negotiations of official debt relief.

483. Subsequent to the adoption of the final act of the Uruguay Round, which was of crucial importance, UNCTAD could serve as a negotiating forum for establishing a set of international standards to prevent restrictive business practices. UNCTAD should promote producer-consumer cooperation agreements on commodities and help to improve the marketing of primary commodities exported by developing countries, as well as to foster diversification in the uses of commodities. The adjustment process had to be accompanied by a parallel programme for social development preventing a rise in poverty and creating productive employment.

484. As to institutional reform, a more flexible negotiating process was needed whereby different national interests could interact in a dynamic manner. Pragmatic approaches for cooperation were needed; this called for a new style of negotiation. The aim should be for concrete realistic compromises, however modest, rather than long debates over resolutions which had no real impact. A complete renewal of the secretariat was also necessary. A process of rationalization had to be initiated aiming at structural reform, improvement of professional quality and reduction of unnecessary bureaucracy.

485. The representative of the Philippines said that few of the hopes raised by the creation of UNCTAD 28 years ago had been fulfilled. Many countries remained heavily dependent on commodity exports. Real commodity prices had declined over the past 20 years, and developing countries' terms of trade had considerably weakened. Protectionism had mounted, particularly against developing-country manufactures exports. More developing countries had been burdened with heavier external debt and debt service. They had had to divert funds away from spending for economic and social development. The economic disparity between industrialized countries and developing countries had been widening and poverty had been increasing.

486. UNCTAD could claim credit for a number of initiatives which had effectively addressed certain aspects of international trade and development. This applied to the Generalized System of Preferences, the targets for Official Development Assistance, the Integrated Programme for Commodities and the establishment of the Common Fund, as well as several international conventions, including one on the transit rights of land-locked countries. However, UNCTAD's performance, particularly recently, had fallen short of its true potential. It needed revitalization because it was the only forum where developing countries as a group could make known their common concerns to countries of the North and because it had gained more relevance in the light of global economic developments. International trade, finance and socio-economic development, as integrated issues, had to be jointly addressed by all countries in a new spirit of partnership and interdependence. UNCTAD had to be seen by all its members not as an arena for confrontation, but rather as a forum for consultation and cooperation. Past experience had amply

demonstrated that, in carrying out the business of UNCTAD, confrontation had proved sterile and unproductive, resulting in decisions being ignored and resolutions not being enforced or implemented.

487. UNCTAD could not be a neutral forum for considering problems of development since the developing countries were the weaker partners in an interdependent world. This was especially true in terms of influencing the international economic environment.

488. Decisions and resolutions reached by consensus in UNCTAD had to be binding on all its members and duly implemented. UNCTAD should address all issues within its present mandate, including those that had been taken over by other bodies in those cases where no action had been taken or had proved inadequate. As part of its reform, UNCTAD had to concentrate on issues vitally affecting the development process, such as external debt, which had reached such staggering proportions that it threatened growth and development.

489. UNCTAD could provide a forum for countries to discuss new and better means of reducing their debt service burdens, particularly for heavily indebted countries implementing strong reform programmes. Another important issue which UNCTAD should take up was how to convert the peace dividend into practical measures that would accelerate economic development. As global disarmament and the break-up of military/industrial complexes were fast becoming a reality, UNCTAD must establish its primacy in examining the implications of these phenomena. It must agree on practical measures to apply the tremendous resources, both human and financial, that would be released and become available to improve the human condition.

490. UNCTAD had an important function in planning and coordinating the efforts to accelerate development of the least developed countries. Moreover, there was a need to enhance the technological capabilities of developing countries so as to enable them to achieve sustained economic growth. UNCTAD should examine how to promote technology agreements between developed and developing countries. The transfer of technology was vital to the modernization of developing countries' economies. UNCTAD could certainly play an important role in promoting collaborative efforts in the field of science and technology among countries at the official level. Finally, UNCTAD must continue with its work on South-South trade. It must also examine the merits of a proposal to convene an international conference on commodities.

491. The representative of Poland said that as a result of the collapse of the world communist system and the shift to market-based policies, the international community was witnessing a remarkable process of the emergence of a consensus on development and growth emphasizing the principles of democracy, market orientation, private property, initiative and openness to the world.

492. The transformation from a totalitarian, centrally commanded system to democracy and reliance on foreign market forces was a formidable task. Three lessons from the Polish experience could be applicable to any country undertaking fundamental reforms. First, the extent of change required was enormous. Apart from comprehensive systemic reforms, it also involved a massive transformation of ownership and production structures,

decentralization, de-monopolization, establishment of democratic and market institutions, etc. Perhaps the most demanding task was to change people's attitudes. Independence and entrepreneurship had to be emphasized rather than subordination and reliance upon the State. This was a great challenge for individuals who lacked experience in market-related skills and modern management techniques and procedures. Secondly, maintaining popular support for the transformation process was very difficult but critical for its success. However strong the initial acceptance of the need for change, short-term hardships resulting from the actual transformation - deep economic recession, high unemployment and declining real wages - were weakening acceptance dramatically. Like all inexperienced democracies, a country in transition was particularly attentive to fluctuations in the mood of public opinion; hence a temporary loss of heart for reforms could seriously delay the process. Thirdly, external assistance was both necessary and effective. A number of reforms, such as, for example, liberalization of foreign-exchange restrictions, was much more difficult if not impossible without the benefit of substantial, direct financial assistance. Maintaining political support for reforms was also greatly facilitated by foreign assistance.

493. A precondition for successful transformation, and at the same time a major component of the process, was the opening up of the national economy. This in turn required a supportive international response, particularly in terms of improved access to external markets. That was why Poland attached great importance to the association treaty with the European Communities and the free trade agreements with EFTA, Czechoslovakia and Hungary. That was also why Poland was a strong supporter of the Uruguay Round negotiations.

494. On the issue of UNCTAD's relevance and practical contribution to the well-being of its members, time and effort were spent on negotiating resolutions of little value, to which hardly anyone paid any subsequent attention. The interest of Warsaw as of other capitals in this work was slight and declining. UNCTAD suffered from a rigid group system that prevented it from tackling issues at hand in a timely and effective manner. It was slow not only in starting its meetings, but also in recognizing changing realities, in particular those in Central and Eastern Europe.

495. It was a paradox that, at a time of an immensely improved international political climate and the disappearance of ideological divisions, UNCTAD should be on the verge of marginalization and irrelevance. UNCTAD was needed to analyse, discuss and reach consensus on the challenges facing the world and to provide technical assistance in areas where it had gathered unique and extensive experience. Above all, UNCTAD was needed to design and negotiate international policies and actions in support of rational domestic reforms and development policies, since no other multilateral institution provided a forum for global debate in terms of countries and areas or gave the global support to developing and reforming economies which was so vital for their success. Without this function, UNCTAD would remain a discussion forum with no practical application.

496. To be effective, UNCTAD had to be much more flexible than at present. The rigid group system had to be abandoned; contacts and consultations across the traditional group boundaries had to be encouraged and practised. The flexible creation of subject-specific groups should be permitted so as to

enable countries with similar views and objectives to formulate joint positions and proposals. The Conference should not conclude without agreeing on an adjustment programme for UNCTAD.

497. The representative of the Republic of Korea said that as a result of the end of the "cold war", the process of democratization and market-oriented economic reform now unfolding in many parts of the world meant that one could look forward to genuine peace and greater prosperity for all mankind. Nevertheless, the unstable and unpredictable international economic climate posed a major challenge to this brighter outlook for the future.

498. UNCTAD had played a vital role in enhancing the development efforts of developing countries, but the new challenges of the post-cold-war era were pressing UNCTAD to adopt a new approach and to avoid being a divisive forum between North and South. UNCTAD had to be restructured in order to enhance its effectiveness and should initiate more action-oriented work programmes.

499. Given the chronic shortages of development resources and the burden of accumulated foreign debt faced by developing countries, developed countries should meet the ODA target, encourage more foreign investment to developing countries, relieve the debt burden and increase liquidity in financial markets through macroeconomic policy coordination. Developing countries for their part should mobilize domestic financial resources, build a sound economic management system and create a favourable climate for foreign direct investment.

500. The Republic of Korea emphasized the need to establish an international trade environment favourable to developing countries and called on the international community to mobilize the political will to achieve a balanced and equitable outcome of the Uruguay Round, as this was the only way to overcome the negative effects of growing protectionism and regionalism while accommodating the specific interests of developing countries.

501. Over the past decade, the technology gap had widened as developed countries became more and more reluctant to transfer their technologies to developing countries. The developed countries should eliminate obstacles to developing countries' access to new and high technologies and promote technology transfer, at the very least on a commercial basis. Developing countries should in turn ensure that substantial portions of their budgets were allocated to research and development and that their educational systems were rapidly aligned with scientific and technological needs.

502. The Republic of Korea considered that the threat of global environmental degradation necessitated a full and practical, not rhetorical, partnership between developed and developing countries. The United Nations Conference on Environment and Development would be a test of that partnership: it should become a forum for reaching consensus on innovative funding and technology transfer mechanisms. It was necessary that developing countries receive environmentally sound technologies on concessional terms. Regulatory measures designed for environmental protection should not become another form of non-tariff barrier impeding exports from developing countries.

503. The responsibilities for balanced development should be shared by all members of the international community. The Republic of Korea had implemented a number of cooperation schemes aimed at sharing with other developing countries the experience it had accumulated in the process of economic development. These included the Economic Development Cooperation Fund of $360 million for concessional loans to developing countries, and the Korea International Cooperation Agency. His country also attached great importance to technical cooperation programmes provided through the United Nations system and was involved in an UNCTAD/UNDP project to establish regional investment information and promotion services for Asia and the Pacific.

504. The representative of Romania said that UNCTAD VIII was taking place at a time of historic changes. A large part of mankind, having followed a wrong path, was now trying to find a rational way to make economic and social progress. After the December 1989 Revolution, Romania had set out to achieve democracy, a state of law and a market economy. The centralized system had been abolished; liberalization of the economy was under way and a radical process of privatization had started. State monopolies and central planning had been abolished. Imports were subject only to customs duties and exports were no longer subsidized. Foreign investments now enjoyed favourable conditions, such as the possibility of 100 per cent foreign ownership, exemptions from taxes and customs duties, and the free transfer of invested capital and profits.

505. The new Romania was aiming at integration into the world economy. Negotiations would start soon for association with the European Community and for developing a relationship with the European Free Trade Association. Romania was also participating in the Black Sea Economic Cooperation Zone.

506. Nevertheless, Romania - like other countries in transition - faced a severe economic crisis. The country's own efforts, including implementation of a structural adjustment programme, would be decisive in overcoming the present economic difficulties, but at the same time Romania needed external assistance.

507. UNCTAD was at a crossroads in its history. The main task of UNCTAD VIII was to adapt the organization to the profound changes taking place in the world. It was important to engage in a pragmatic dialogue, in a new spirit of partnership for development. The draft of the final document was a good basis to reach positive results. UNCTAD should be renewed and modernized so that it could respond to the present requirements in a more flexible and efficient manner. This reform had to be carried out in the context of the reshaping of the economic and social sectors of the United Nations. It must also take into account the possible creation of a Multilateral Trade Organization. The reform of UNCTAD should provide for better operation of its three main functions, namely: research and analysis; negotiation; and technical assistance in the fields where it had a comparative advantage.

508. Along with adopting measures to diminish the gap between developed and developing countries, it was necessary for UNCTAD to support the reforms under way in Central and Eastern European countries.

509. Concomitantly with supporting the efforts of the developing countries and the countries in transition to mobilize their own resources, UNCTAD should take action to promote a substantial increase in the transfer of financial resources, granted under favourable terms to these countries, including resources resulting from the disarmament process.

510. In the field of international trade, UNCTAD, along with GATT, should contribute to resisting protectionism and to liberalizing international economic exchanges, as well as to giving differentiated, more favourable treatment to developing countries. It was to be hoped that the Uruguay Round would end with substantial gains in this respect.

511. As a country in transition to a market economy and at the same time a developing country, Romania attached high value to cooperation with UNCTAD, especially in the field of technical assistance. This fruitful cooperation should be further developed.

512. The representative of the Russian Federation assured the Conference that his country was continuing the membership of the former USSR in the Security Council and other bodies and institutions of the United Nations system, and confirmed the intention to pursue comprehensive cooperation with UNCTAD and its member countries. Russia had entered into a period of profound political, economic and social change since its transition to a democratic State based on unconditional respect for human rights and a market economy. These included granting equality to all forms of property, wide-scale privatization, free pricing, demonopolization of the economy and promotion of competition and entrepreneurship, further liberalization of the foreign trade regime, and creation of conditions favourable to foreign direct investment. Russia had already contributed considerably to the transition from the old world system to the new one and recognized its responsibility and its role in seeking a real solution to development problems, in close cooperation with all countries. Only a few months ago, Russia had not existed as an independent State and, naturally, it would take some time to elaborate the specific interests and capabilities of Russia in the area of multilateral cooperation in the context of the problems faced by the international community in the 1990s.

513. Structural change always implies certain costs. Regardless of the level of development, such costs, difficulties and even tensions seem to reach their peak at a time of overall change of the entire political and economic system. This was the case in Russia and some other countries. Russia was grateful for the support and assistance which some countries had rendered during the difficult and painful transitional period. When the domestic economic and political situation had stabilized in Russia, its assistance to developing countries would be resumed and expanded on a new non-ideological basis. Notwithstanding the importance of external assistance, the key to success in the final analysis was of course to be found in the rational use of domestic resources and sound national economic policies.

514. The credibility of UNCTAD and its success in getting the active cooperation of all member countries would depend on its ability and readiness to adjust its activities commensurate with the radical changes under way. Its traditional approach, based on the division of the world into developed and

developing countries, still seemed relevant. However, this approach no longer reflected adequately the variety of challenges which the organization now faced. In this context, broad new opportunities were opening up for international multilateral cooperation. The expanding space dominated by market principles made the world less heterogeneous from the point of view of basic approaches to economic policies. Hence, there were increasingly better chances for greater coherence of national and international policies, including those in the area of development.

515. The institutional restructuring of UNCTAD was both important and timely. Adapting UNCTAD to the new realities was a driving force in this process rather than a consequence of the reform of the United Nations. Complete implementation was required of the mandate of UNCTAD as the universal economic organization whose activities would adequately meet the interests of all countries or groups of countries, without exception. A test of UNCTAD's ability to take up new challenges would be its responsiveness to new emerging development issues. Fresh approaches were needed, involving: frank discussion and generous exchange of experience with national economic policies and reforms, as well as international supportive measures, sustainable development, conversion of military production, where mankind had only recently started to accumulate experience with international cooperation, and involvement of non-governmental actors, including those from private sectors, in UNCTAD's work.

516. The representative of Sao Tome and Principe reaffirmed his country's commitment to international cooperation and solidarity for development. Small island countries like his faced the challenge of development in a changing international environment. Sao Tome and Principe had introduced various democratic changes through free elections and recognition of fundamental human rights, and was now engaged in efforts to tackle the economic problems. It therefore needed additional resources and the basic techniques necessary for development in the framework of a more equitable new world economic order. In this connection, the outcome of the Second United Nations Conference for the Least Developed Countries (Paris, 1990) had been satisfactory and countries were called upon to make concrete their commitments through urgent priority actions.

517. The current disarmament process could enable resources to be released for the development needs of developing countries, in particular the least developed ones. Sao Tome and Principe was aware that primary responsibility for tackling the problems of underdevelopment lay in its own hands; still it needed the support of the international community, in particular UNCTAD, the organizations of the United Nations system and the non-governmental organizations, so as to complement its efforts to achieve food self-sufficiency, secure employment, health and tourism development. Some successful results had been recorded thanks to the assistance of certain countries. Other countries should also provide assistance.

518. External payments outweighed credits and grants, as a result of unfavourable terms of trade, decreasing commodity prices and increasing import prices, in particular energy. This unfavourable international economic environment, which had negative impact on the economies of other developing countries as well, called for intensified efforts by developing countries

themselves as well as all the international community, so as to ensure the mobilization of resources necessary to undertake actions aimed at enabling peoples of developing countries to enjoy their economic, social and cultural rights.

519. The threat of debt and debt-servicing on the economies of developing countries, and, in particular, the least developed, called for concern, as did the lack or the insufficiency of capital flows to developing countries. All creditors should extend and generalize, as a token of solidarity, the debt cancellation initiatives already taken by some countries. Debt recycling to development projects should also be considered. Developed countries needed to facilitate access to their markets for products from the least developed countries, assist them in improving their transport and distribution means, and, for island countries such as Sao Tome and Principe, provide help in developing tourism and attracting potential investors.

520. The representative of Senegal noted that the winds of freedom which had swept across Eastern Europe at the end of the 1980s had fundamentally changed international relations by destroying the old global bipolarization. With the end of the cold war, new possibilities had arisen, based on partnership instead of confrontation. The peace dividend ought to be a promising resource for development. However, it seemed that a new polarization had taken the place of the old, with the interest and the resources of the developed countries focusing on new areas, to the detriment of the South, particularly Africa. In spite of its adjustment efforts - which had seriously affected social justice and political stability - Africa had been even more marginalized by this set of new events: debt was still hindering growth, despite the commendable efforts of some donors; continued instability and downward trends in commodity prices had stifled stabilization policies. The specific difficulties of the African continent were compounded by distorted market-access rules, and African countries were making serious efforts in the Uruguay Round negotiations to obtain better market access. Equally, scientific and technical potential which created competitiveness in production and trade was concentrated mainly in developed countries.

521. In such a context, UNCTAD had a vital and irreplaceable role to play for development by contributing to the fostering of a more dynamic and development-supportive international environment. The analytical capacities of UNCTAD - particularly as regards the identification and analysis of the critical problems of development - needed to be strengthened, as did its structural relationships with other specialized international institutions so that a true co-participation could develop at the level of conception, realization and follow-up to the results of the studies undertaken. A strong political will was now required to address forcefully the interrelated issues of poverty, starvation, injustice, environmental destruction and human rights.

522. The representative recalled that, in a few days, with the support of the International Fund for Agricultural Development, a group of "First Ladies", including President Diouf's spouse and Queen Fabiola of Belgium, would organize a meeting in Geneva, to sensitize the international community to the difficult situation of the rural female population in many parts of the world.

523. The representative of Singapore said that it was now necessary to seize this unique opportunity to take stock of past achievements, evaluate the present and strengthen international economic cooperation for the future. The economic climate was favourable to the development of a dialogue leading towards a new improved phase of international partnership. The countries of Eastern Europe and the former Soviet Union had realized that the market economy was far superior to their previous economic system.

524. Many developing countries in Asia, Africa and Latin America had also pursued economic reforms and undertaken autonomous measures to liberalize their trade policies, often with great sacrifice. Underlying the economic liberalization process was the recognition that a market-based system would improve international competitiveness and generate more opportunities for trade, growth and development.

525. The world was growing more interdependent and multinational corporations were becoming more important as engines of global growth and technology transfer. Global manufacturing, the free flow of capital worldwide, increased export dependency and the global network of financial, insurance and trading services had brought countries closer together than ever before.

526. Growth and development strategies in some ASEAN countries had been conducive to a consistently higher rate of economic growth than the world average. Important factors were relative political stability, heavy investment in human-resource development, market-oriented policies, the presence of internationally competitive industries, a liberal foreign-investment policy, an emphasis on economies of scale, the exploitation of comparative advantages, and, recently, the formation of a free trade area.

527. Other developing countries had not fared well in recent years and the number of least developed countries had increased further. This contrasting picture underscored the important role of a favourable international environment for the growth efforts of developing countries. There was clearly a need for concerted national and multilateral action to build a healthy, secure and equitable world economy. In this respect, the major developed countries had a particular responsibility.

528. Countries, especially those in the developing world, that had adopted market-based systems and export-led growth strategies were highly dependent on an open and strengthened multilateral trading system. The success of the Uruguay Round of Multilateral Trade Negotiations was therefore crucial. There was, moreover, a dangerous trend towards the formation of regional economic blocs. Economic regionalism per se could be growth-oriented, lead to trade liberalization and provide greater economies of scale and scope. However, a breakdown in the multilateral trading system could lead regionalism to fuel protectionist tendencies; inward-oriented trading blocs could emerge. Hence, it was also vital that economic regionalism be complementary to the multilateral trading system and in conformity with the GATT.

529. The geopolitical and economic environment of today's world was radically different from that of the past. Nevertheless, UNCTAD remained relevant as an important instrument of international cooperation on trade and development, particularly for the developing countries. It should continue to provide the

intersectoral perspective to trade and development in the areas of, inter alia, trade, commodities, resources for development, transfer of technology and services.

530. However, UNCTAD had to adjust to the changed international economic and political situation. It must be rendered more effective in carrying out its functions of global policy analysis and research, dialogue and negotiations, and technical support for the developing countries. The Conference should prioritize its action plan and concentrate on efforts to accelerate development, strengthen national resilience and raise the ability of countries to contribute to greater international cooperation.

531. The representative of Spain said that the last three years had seen a general slow-down of economic growth. External debt, the deterioration of commodity prices and the difficulties of gaining access to international markets had diminished the import capacity of the developing countries, and with it their possibilities of incorporating the new technologies necessary to economic development. The economies of certain developing countries had, however, shown signs of economic recovery. This included countries in Latin America. The results of structural adjustment programmes had been more positive when the international economic environment had been more favourable. The interdependence of all economies had increased in recent years. It was thus necessary to adapt the cooperation schemes to the new international economic reality, including regional integration processes. UNCTAD could play a significant role in such adaptation.

532. The beneficial effects of an efficient market system and of a strong private sector had been proved. In any case, public sector reform appeared to be a priority task in many cases. Environmental degradation was a problem that entailed the joint responsibility of both developed and developing countries in order to achieve the objectives of sustainable development.

533. Policies for mobilizing more adequate national and international resources had to be encouraged, and the world rate of savings increased. The developed countries, as well as the newly-industrialized countries, the Central and Eastern European countries and the high-income, oil-producing countries should continue increasing the resources allotted to development cooperation. The needs of the Central and Eastern European countries would have to be met without diverting resources provided by the international community to the developing countries. Spain fully supported the current international strategy based on implementation of growth-oriented adjustment policies, the "case-by-case" approach, the obtaining of new financial flows and the rescheduling and reduction of debt, and it had actively participated as a creditor in the Paris Club.

534. The positive conclusion of the Uruguay Round was a priority. The current proposal included concessions in favour of the developing countries. The negotiations must also result in a commitment for opening up developed countries' markets. The successful outcome of the Uruguay Round would have to result in the progressive growth of international trade, beneficial to all parties.

535. Technological cooperation within UNCTAD required realistic solutions. This was delicate, since a considerable part of technological innovation occurred in the private sector, and its transfer required incentives compatible with the market system. Spain fostered such transfer and had made special efforts in the training of technicians and researchers, and in facilitating developing countries' access to new technologies, including environmentally sound technologies. UNCTAD's valuable technical assistance should improve developing countries' access to new and environmentally sound technologies. Developing countries needed, in turn, to ensure efficient protection of foreign investment and of intellectual property. UNCTAD's valuable technical assistance services in the field of technology could be reinforced through the creation of technology data banks or advice on access to technology.

536. A new impulse was needed concerning commodities. The Common Fund's Second Window could be useful in reducing commodity dependence through export diversification. It was necessary to improve market-access conditions, reform compensatory financing mechanisms and provide technical assistance to developing countries for improving their financial instruments and their production, marketing and distribution infrastructure. UNCTAD should periodically examine all perspectives and areas of action concerning commodities, carefully follow the relevant GATT negotiations and include the environmental dimension in its analysis.

537. UNCTAD had to adapt to the new international economic environment, concentrate on development issues and serve as a forum for promoting dialogue. Its analytical functions should be exercised selectively. Negotiations should be carried out when there were possibilities for results. Spain would also welcome seeing UNCTAD's technical assistance functions reinforced. An in-depth institutional reform of UNCTAD was fundamental for rendering operational any agreement at UNCTAD VIII. Sustainable and participatory development, attention to human development and the social dimension of structural adjustment processes in the developing countries were important themes of Spain's development cooperation.

538. The representative of Sri Lanka spoke of the new climate that had emerged, involving significant political changes, increased globalization and interdependence of the world economy. One of the great challenges of the new era would be to realize the possibilities for genuine international cooperation. Accelerated development in developing countries required a substantial increase in net transfer of resources to them, a lasting and comprehensive solution to the debt problem, and an open and equitable trading system. Developing countries had increasingly demonstrated their willingness to pursue external trade and financial liberalization and sound domestic policies, but protectionism had been gaining ground in developed countries. Intensified movements towards bilateralism, unilateralism and regionalism in the developed countries had given rise to concern about fragmentation of the international trading system. Existing trade tensions had been exacerbated and the marginalization of the majority of developing countries had intensified. There was also concern about the possible diversion of new investment and international financial and technical assistance away from the developing countries to the countries of Central and Eastern Europe now undergoing reconstruction.

539. Sri Lanka's recent economic reforms had opened its economy to external competition. The unwillingness on the part of developed countries to provide market access in areas of particular relevance to developing countries was disappointing. Developing countries were in critical need of financial resources. External financing continued to set the parameters for policy in many developing countries. Negative transfers of resources had seriously undermined their efforts aimed at adjustment and economic reform. Achieving a sizeable reduction in poverty should be the highest priority of the international community. There was a need for additional resource flows in keeping with accepted targets and perceived needs of developing countries.

540. In the field of commodities, traditional problems of price instability and export earnings had persisted. For many developing countries, the resources needed for development had to be generated by the commodity sector. Developed countries could help by improving market access conditions for developing countries' exports, offering technical assistance for the implementation of diversification programmes, particularly through human-resource development, extending cooperation to improve information flows as an aid in making investment decisions, and providing medium- and long-term finance for national diversification efforts.

541. In the evolving world-trading situation, the real winners would be those countries which were able to keep pace with technological development, creating and maintaining efficient production structures which would allow them to respond adequately to changing trends in demand in the world market. Transfer of technology to developing countries on terms that were fair and affordable as well as access to technologies were of paramount importance.

542. To encourage developing countries to continue to apply market-based policies and adopt sound national policies and measures in pursuit of the objective of economic growth and accelerated development, the developing countries' genuine and positive efforts had to be matched by equally strong responses from developed countries. The implementation of outward-looking development strategies in developing countries would undoubtedly contribute to the mutually beneficial expansion of world trade. It would therefore be in the interests of the whole international community to adopt appropriate policies and measures which could strengthen growth and development in all countries.

543. The representative of Sweden said that what really mattered was the fate of the member countries rather than the fate of UNCTAD, since an international organization was only a means to an end, i.e. economic progress of, in particular, developing countries. While in recent years some countries had experienced increased growth rates, a considerable number were still below the absolute poverty line. Widespread political and economic changes such as growing support for democracy, human rights and market economy leading to a convergence of views on development priorities had given multilateral cooperation within the United Nations system a new and more vigorous role.

544. The Nordic countries had presented proposals to make the United Nations system more efficient and relevant for all member countries. One of these proposals was to identify "centres of excellence" in the various bodies concerned. UNCTAD needed to be revitalized if it was not to run the risk of

falling into oblivion. Rather than devote time to repetitive resolutions with no practical relevance, the focus should be on policies influencing the growth of national economies.

545. UNCTAD could provide a forum for discussions in the area of trade. In that connection, it was essential to develop new multilateral disciplines and to open up markets. In this vein Sweden had abolished import restrictions on textiles and shoes.

546. The outcome of the GATT negotiations would have a decisive impact on the trade-policy environment over the next few years. It was important that UNCTAD be given a mandate to evaluate the results of the Uruguay Round, once these had been achieved.

547. Another area where UNCTAD could play a role was resources for development. The fact that not all industrialized countries had met the United Nations target of 0.7 per cent of GNP was quite unsatisfactory. With respect to the debt crisis, the poorest countries needed substantial debt relief. While a market economy was an effective stimulus to production, purchasing and sales, it lacked a built-in ethical code. If the market economy was not to be abused, there was therefore a need for a clear set of roles. Competent public-sector authorities and good governance were prerequisites to sustainable social and economic development. UNCTAD should pay special attention to these points.

548. The growing interdependence among countries was particularly obvious in the environmental area. Precautionary measures were much less costly than the mitigation of environmental damage after it had occurred. If all countries agreed on the basic principles, the likelihood that environmental regulations would be viewed as obstacles to trade would be reduced, even if countries maintained different environmental standards. Industrialized countries, as the biggest contributors to environmental problems, had the main responsibility for the necessary adjustments. Developing countries needed additional resources to cope with environmental problems. UNCTAD's further work on the environment was welcomed.

549. The task of the Conference was to revitalize UNCTAD. UNCTAD must adopt a more pragmatic approach than hitherto. Sterile debate between the various groups must give way to a new fruitful dialogue - a process which was already under way. If UNCTAD could be instrumental in promoting a constructive dialogue, it would fare well.

550. The representative of Switzerland expressed concern regarding the meagreness of results achieved since UNCTAD VII. The world was now totally different: the cold war had ended, and there was almost universal consensus on accepting the rules of the market. In such a new context, it was to be hoped that UNCTAD - and this was the responsibility of the States members of UNCTAD - would not look back and, as Lot's wife, be transformed into a pillar of salt. On the contrary, it should undergo transformations and take initiatives, relying on its comparative advantages over other institutions. UNCTAD was in a unique position to analyse problems in an integrated manner, to examine the interaction of different policies in the areas of trade, finance, development and environment and to survey the coherence of national and international policies.

551. UNCTAD should be converted into a centre for economic analysis comparable to the OECD. It should become a "marketplace for ideas on development". UNCTAD did not have its own financial means which would allow it to exert pressure to bring countries to the negotiating table; its ability to persuade rested on differentiated and relevant reasoning. UNCTAD should define principles of good governance and sustainable development, and contribute to building the broad consensus necessary for proper negotiations. For this was required a performing and impartial secretariat with the courage to draw countries' attention to their incoherent policies and to the risks of bad management; obsolete working methods should be abandoned. The current group system could not address the problems of an increasingly complex reality.

552. Developed countries should bring their active support to areas such as financial assistance, balance-of-payments assistance, debt concession, and market access. In this context, the success of the Uruguay Round was vital for all, and UNCTAD would have an important role to play in its implementation. Switzerland would be ready to contribute to the financing of UNCTAD seminars, missions of experts from the secretariat to developing countries, as well as tutorial material.

553. After the Uruguay Round's successful conclusion, much effort would be needed to allow all countries to trade more efficiently, in particular by reducing transaction costs and simplifying and harmonizing information transfers. The "Trade efficiency" initiative was timely and Switzerland would be prepared to support this idea financially; it provided a perfect example of how UNCTAD could best assist developing countries, notably by fostering the integration of small and medium-sized enterprises into international trade.

554. Debt reduction was a _sine qua non_ condition for the reintegration of heavily indebted countries into the international financial system. On the occasion of its 700th anniversary, Switzerland had decided to forgive 1.5 billion dollars worth of debt owed by poor and heavily indebted countries, and hoped that this could induce other countries to undertake similar operations.

555. UNCTAD should carry on its catalytic role in the search for adequate solutions to the problems of commodities, e.g. via mechanisms to increase market transparency and diversification. Income received from compensatory schemes (such as the Swiss one) should be earmarked for diversification. Switzerland believed that the World Bank's idea of an insurance system against price fluctuations deserved careful examination, as did proposals aiming at the better functioning of commodity stock exchanges.

556. Switzerland was increasingly concerned about environmental matters and their commercial implications, and believed that UNCTAD, because of its intersectorial approach, was an ideal forum in which to analyse the links between trade, development and environment. This should be kept in mind by Governments when they decided on the follow-up to the United Nations Conference on Environment and Development.

557. The representative of _Thailand_ said that UNCTAD had played a major role in the great success achieved by some of its members over UNCTAD's 28-year life. The cold war did not seem to have restrained UNCTAD's achievements.

Now that relative peace had come, it was only natural to expect UNCTAD to contribute much more to development. UNCTAD's mandate could be adapted and revitalized to contribute constructively to the development process.

558. Narrowing the gap between North and South required the strengthening of international cooperation under UNCTAD's auspices. UNCTAD should supplement GATT's activities on trade and should continue its role as a major institution providing research- and development-support programmes. It should provide assistance to developing countries on ways and means to maximize the positive results of the Uruguay Round. Thailand was a small open economy whose future was tied up with the health of the multilateral trading system. A firm commitment to abide by the multilateral system, including the positive results of the Uruguay Round, coupled with sincere determination to avoid the use of unilateral pressure, would promote the world economic-development process. But this depended upon avoiding being "hijacked" by environmental issues.

559. Thailand fully supported UNCTAD and pledged its full commitment to improve UNCTAD's organizational effectiveness and methods of work in response to the changing political and economic environment.

560. The representative of Togo, after expressing support for the statement made by the spokesman of the Group of 77, appealed to the developed countries to take due account of the views expressed in their development cooperation policies because several long-standing problems had not yet been solved.

561. A viable world economy had to take into account the fundamental economic changes that had recently occurred. Minimum conditions for sustainable development included upholding democracy and respect for human rights because they generated creative energy. However, the nascent democracies, which had emerged after heavy sacrifices endured by their peoples, especially in least developed countries like Togo, could not be stable unless they enjoyed a balanced development which ensured minimum living standards and social well-being.

562. Each country's development had to be propelled by appropriate policies and by the mobilization of domestic financial resources. The latter, however, were negatively affected by an unfavourable external environment. Debt service absorbed a high proportion of the foreign earnings of developing countries, earnings which were vital for domestic investment. Paradoxically, many poor countries had become net exporters of capital to developed countries as a result of their heavy debt-service burden. Togo was grateful to creditor countries which had contributed to reducing the country's external debt; but further efforts in this direction were necessary so as to tackle the problem more constructively and to integrate the human dimension into debt management.

563. Until such time as diversification and transformation efforts produced results, primary commodities, together with trade, would remain the only sources of foreign exchange for developing countries, especially the LDCs. A stronger political will was needed on the part of the rich countries, therefore, to ensure that commodities enjoyed fairer market-access conditions. For their part, developing countries needed to utilize efficiently the revenues generated by commodities so as to permit a resolute attack on poverty and to promote sustainable development.

564. While ensuring the operation of market forces, producers and consumers had to take concrete measures to achieve the core objectives of the Integrated Programme for Commodities. In view of the difficulties faced in the mobilization of domestic resources, ODA from the developed countries in the context of the Paris Programme of Action had to continue, for the time being, and even to increase. Developed countries must also, together with developing countries, devise a strategy that would accelerate the transfer of technology.

565. The rules governing international trade should ensure an open trading system. They should be clear, evolved in a transparent manner within GATT and aimed at the development of all countries.

566. A healthy ecological environment was essential if human well-being was to be the focus of activities designed to promote general, rational and lasting development.

567. UNCTAD VIII should lead to the concrete action necessary to ensure a stable world, aimed at eliminating extreme poverty. This action should be the objective of the mechanisms and legal instruments which UNCTAD, during its institutional transformation, needed to put into place so as to play its part fully as a source of innovation and creative thinking.

568. The representative of Tunisia said that the profound political, economic and social changes of recent years held out hope for an improvement of the living conditions of the poorest people. The international community should ensure that these hopes were realized by facing up to the double challenge of democracy and development. The young democracies had fragile economies and faced serious handicaps which could cause them to retreat from the advances they had made.

569. It was urgent to promote the emergence of a new model of financial cooperation and co-development between developed and developing countries. The Secretary-General's proposal for an international conference on the financing of development was a step in the right direction.

570. In 1986, Tunisia had strengthened its market economy system and launched a programme of structural reforms designed to overcome its social and economic difficulties and to integrate its economy into the international trading system. Though some difficulties remained, the results achieved so far were encouraging. This had been made possible because the programme was based on broad participation and national consensus: Tunisia had laid the basis for a democratic system by guaranteeing fundamental freedoms, human rights and a multi-party system.

571. External debt and the negative net transfers to which it gave rise were two major obstacles to the financing of development in developing countries, threatening to undermine the revival of investment and growth. This situation had to be reversed, especially for middle-income countries like Tunisia, which had not benefited from the international debt strategy. The President of Tunisia had proposed that debt-service payments should be recycled to finance employment-creating and ecologically sound projects as well as projects in the area of health and education.

572. The problems created for commodity-dependent developing countries by fluctuations in commodity prices also called for action designed to stabilize export earnings. In this context, the Second Window of the Common Fund needed to be strengthened.

573. A positive and balanced outcome in the Uruguay Round would give rise to an international trading system which was more transparent and predictable and which would facilitate the integration of developing countries into the world economy. All countries were called upon to contribute to such an outcome.

574. The international community should also create the necessary conditions for sustainable and balanced development. Tunisia hoped that the United Nations Conference on Environment and Development in Rio would live up to expectations.

575. If the process of co-development was to be durable, it would be necessary to promote the creation of a multi-sectoral information system to which developing countries would have access. This would enable them to keep track of international economic developments and better manage their international economic activities. In this regard, Tunisia was particularly interested in, and supportive of, UNCTAD's trade efficiency initiative as an ideal way of integrating developing countries into the international trading system.

576. Developed countries should extend financial and technical support to promote a real transfer of technology without which all development efforts would be in vain.

577. UNCTAD remained the appropriate forum for examining the interdependence of trade and development and for pursuing a new development consensus. It was also well placed to strengthen the analytical and trading capacities of developing countries through its technical cooperation programme, which should be reinforced. A revitalized UNCTAD would be the ideal mechanism for injecting a new dynamism into the development dialogue in a world characterized by interdependence of interests. Tunisia hoped that a revitalized UNCTAD would emerge from the Conference and that a new partnership for development would take shape.

578. The representative of Turkey said that the world had witnessed accelerating change in the second half of the 1980s, with the result that the world, member countries and UNCTAD were all now fundamentally different; this required an adaptation of UNCTAD.

579. The majority view was that the North-South dialogue had failed because of attempts to negotiate general and ambiguous resolutions aimed at ideological changes in the international environment coupled with neglect of domestic policies. It was impossible to achieve major change in the international economic system through intergovernmental negotiations. Attempts at change had also failed because the South had essentially asked for a set of derogations to the rules of the system on the thesis that government-led efforts were the driving force for development; this had led to import-substituting industrialization and highly protected trade.

580. Most developing countries were now prepared to follow the path taken by those pioneer developing countries which had survived the failure of the North-South dialogue and thrived within the existing system; the policy change in the ex-communist countries had strengthened this trend. Given asymmetrical interdependence, the clear disadvantage at which the developing countries found themselves was the reason why they asked more than they were prepared to give; their only trump card was the potential impact of their failure to develop on international peace and security, as well as on global ecology. Developing countries could not influence the external environment and therefore could never fully master the forces which influenced their fate. They knew that the free market was a good thing, but no one was altruistic enough to be wholly liberal. The only way out was what the Secretary-General of the United Nations called "ecumenical international action".

581. Good governance, which ranged from choice of macroeconomic policies to ethical behaviour of the authorities, was now in vogue. Turkey knew the difficulties of establishing democracy in a developing country. The rapidly rising expectations of the masses, fuelled by party politics, could lead to populist policies, with increasing consumption at the expense of savings, growth and price stability. It was not possible to provide a recipe for development by simply referring to high ideals such as democracy and respect for human rights.

582. To preserve its original vocation, UNCTAD needed to remain development-biased; thus, whatever change was made to its work methods and programme, its main orientation should not be altered. Since IBRD, IDA, IMF and GATT all took up development issues according to their mandates, it was impossible completely to avoid duplication and overlapping without reducing the scope of UNCTAD's activities to an almost meaningless level.

583. UNCTAD had made the mistake of underestimating the importance of discussion and overestimating that of negotiation. Stating different points of view was necessary to move towards a meaningful consensus, but it required flexibility in groupings. High-quality analyses were also necessary, and UNCTAD therefore needed to reduce its large staff and recruit qualified personnel. UNCTAD needed to be creative and imaginative, whilst recognizing that positive-sum games forever and everywhere were impossible. It was necessary that dialogue not be polarized: developing countries should discuss their domestic policies, but industrialized countries in turn had to accept discussion on their own policies, which created the international economic environment.

584. The representative of Uganda said that, among its various functions, UNCTAD was first and foremost a forum for considering comprehensive economic and development policy issues, including review and assessment as well as scientific forecasts of the world economic situation, the problems faced by the developing countries, the opportunities and challenges to the world economy and the economic growth of developing countries in a changing world situation. UNCTAD was also a forum for negotiations on trade and development issues.

585. Global peace and security did not mean only an end to the cold war. It also meant realizing the right to development and freeing peoples and nations from poverty, hunger, disease, illiteracy and unemployment.

586. Uganda reaffirmed its primary responsibility for the achievement of its own development. To do this, since its coming into office, the National Resistance Movement Government had ensured peace in the country, ushered in the rule of law, a free press, and an independent judiciary. Uganda, like many developing countries, had already taken measures to liberalize foreign trade and investment-related legislation. It had also adopted structural adjustment programmes despite their negative social and political repercussions, particularly on the rural sector which was the most vulnerable sector of society.

587. The debt problem of developing countries had been hampering the growth of the economy of developing countries and the world economy at large; it was in the interest of every member of the international community to take a broad-based and bolder approach to solving this imbalance. In order to address effectively the worsening debt problem, the role of the developing countries could not be underestimated. They should formulate policies and measures to mobilize domestic resources through increasing domestic savings; to balance their budget by reducing unnecessary expenditures; to recover flight capital; and to encourage foreign direct investment.

588. In a context of general commodity price weakness, the price index for tropical beverages, particularly coffee and cocoa, had declined to exceptionally low levels. Uganda expressed concern at the non-agreement on a new international coffee agreement. It called upon all parties concerned, and Brazil in particular, to see to it that a new agreement was concluded. UNCTAD should look into ways and means of: ensuring greater stability of commodity prices; improving market access for commodity products of developing countries; maximizing export earnings of developing countries through increased participation in processing, marketing and distribution; and trying to reduce the excessive dependence of developing countries' economies on the export of a few commodities.

589. Inadequate levels of accumulated technological capabilities had limited the developing countries' ability to adjust to changes in patterns of supply and demand on world markets. Rapid technological changes were widening the technological gap and diminishing the comparative advantage of developing countries with regard to traditional export products. Developing countries needed technical and financial support to cater for their basic needs in such areas as agriculture and agro-based industries, health care, textiles and clothing, construction, transportation and telecommunication, with a view to strengthening their productive and export capacity. Uganda called upon the international community to implement fully and expeditiously the Programme of Action for the least developed countries for the 1990s. Uganda also called upon the international community for financial assistance for LDCs to enable them to manufacture and add value to their primary products in order to eradicate poverty. Uganda assured the Conference that, with its vast natural and human resources, coupled with its export diversification policy, it would succeed in leaving the LDC group within a decade.

590. The representative of the United Kingdom of Great Britain and Northern Ireland said that as the world became increasingly interdependent, there was a need to work together, in partnership, in recognition of mutual interests and shared responsibilities, to promote economic growth and sustainable development worldwide.

591. Since UNCTAD VII, three major changes had occurred in the world. First, growth in trade had outstripped growth in output, illustrating the increasing interdependence of economies. There had been enormous disparities between the performance of individual developing countries, but the export success of the Asian economies was particularly remarkable. There had also been a general change in trading patterns, with raw materials taking a smaller percentage of developing country exports, and manufactures a larger one. Regional integration and cooperation had increased, but should not lead to greater protectionism and should therefore always be managed within the disciplines of GATT.

592. The United Kingdom was committed to trade liberalization and strongly hoped that the Uruguay Round of Multilateral Trade Negotiations would conclude speedily and successfully. UNCTAD VIII must encourage the best endeavours in the GATT and not attempt to second-guess their deliberations, or dictate their activities.

593. Second, political transformation had brought democracy to many countries. The United Kingdom was supporting the efforts of Central and Eastern European countries to restructure their systems. It also welcomed the growing acceptance throughout the world that democracy, the rule of law and respect for human rights were indispensable to a civilized society; this was the essential foundation on which to build good government and economic prosperity.

594. Third, the approach to development was based on the now widespread acceptance that each country was primarily responsible for its own development and that the only sure way to recovery and sustainable growth was through fundamental reform of both their economic and political structures. Trade, not aid, which would never be more than a very small part of the income of developing countries, must be the main engine.

595. The challenges facing the international community were still immense; while shortcomings in domestic economic policies were the root of the problem, the international environment had not helped. Good government was essential to create the right environment to foster economic growth and sustainable development. This meant adopting policies to support and help rather than limit and restrain private enterprise, by encouraging competition and free markets, by cutting back on excessive regulation, welcoming foreign investment and removing inefficient public sector monopolies by privatization.

596. Governments needed to be responsive to the social as well as economic needs of their people; a fair system of justice for all and respect for universal human rights were vital components. Good government allowed people, including the poorest, both to contribute to and to benefit from development. Good government also required reductions in expenditure on defence. The developed world could not be expected to continue to give help to those countries which spent disproportionate amounts on military hardware, rather

than on developing health and welfare, or to help Governments which directed far too much skilled manpower into military activities. Good government also meant accountability and efficiency in the administrative apparatus: inefficiency and corruption could damage even the strongest economies and could be fatal to a weak economy.

597. Developing countries could help each other by sharing their experiences and approaches to development problems, stimulating an exchange of information and ideas. Developed countries had to support developing countries by helping to get the economic environment right, through continuing aid programmes, particularly for the poorest countries; by supporting the rehabilitation of vital infrastructure; and by providing substantial technical cooperation, including training to improve administrative capabilities and to raise management standards in public and private sector enterprises.

598. The United Kingdom had consistently been in the forefront of international efforts to reduce the debt burdens of the poorest, most indebted countries, first with the Toronto Terms in 1988 and now with the Trinidad Terms initiative implemented in December 1991. The United Kingdom would continue to press within the Paris Club for further improvements to the Trinidad Terms and to urge all creditor Governments to participate equally.

599. UNCTAD needed to recognize the new realities, challenges and opportunities of the 1990s, giving attention to national policy issues, which were the key to effective development. This would require far-reaching reform of the organization, including radical change to the work programme, the work processes and the ideology, so that UNCTAD would deal in harmony and partnership with vital issues and become more efficient in delivering the best information, ideas and objective analyses. These changes should take place within the existing resources of UNCTAD.

600. The representative of the United Republic of Tanzania said that institutional changes should aim at giving UNCTAD the means to achieve the objectives embodied in the theme of UNCTAD VIII. Clear illustrations should be given of how these changes would assist in promoting sustained and sustainable development, as many imponderables could adversely affect even the best-conceived prospects if adequate safeguards were not adopted. It needed to be understood how the institutional changes would take into account such factors as concomitant emphasis on the interplay of market forces and social development, and the technicalities of liberal policies in a globalized economy which were not always within the reach of all developing countries.

601. In reference to the statement by the Managing Director of IMF, there was concurrence with the commendation regarding the high quality of the documentation prepared by UNCTAD. A dilemma arose from the fact that some proposals for action had been described earlier as having clear limits unless there was a change of attitude on the part of developed countries with regard to their consumption and investment policies. Likewise, there was a contrast between the recommended population policy and considerations based on cultural values, religious dogma and the absence of a critical mass of educated people.

602. With regard to the statement made by the Director-General of GATT, there was a contrast between, on the one hand, the view expressed about the Uruguay Round that all countries or groups of countries should contribute according to their capacities and circumstances and that special principles and short-term arrangements could not in the long run be beneficial, and, on the other hand, the fact that GATT had been constantly plagued by instances of special privileges and not-so-short-term arrangements, often unilaterally seized through the instrumentality of national laws, a situation most likely to become exacerbated in the future in the expanded GATT.

603. With reference to the provisions taking account of the concerns of the developing and least developed countries, the United Republic of Tanzania was attempting to carry out economic reforms despite an unfavourable global economic environment. There was a contrast between the pressing call for democracy for national development, liberalization and good management of national economies, and the lack of the same appeals for democracy in international decision-making, economic and financial instruments and for good international governance.

604. UNCTAD was important. Its capacity should be enhanced in order to achieve concrete results in the interacting spheres of trade and development. The search for improving the means to reach these ends should not lead to the defeat of the objectives by the means, wittingly or unwittingly.

605. The representative of the United States of America focused on the necessity to revitalize UNCTAD so that it became an important and positive force for development. The need to reform UNCTAD was urgent. The United Nations was crucial for global well-being and the strong movement for revitalization throughout the United Nations system was paralleled in UNCTAD.

606. UNCTAD remained the only institution within the United Nations system whose mandate was to explore economic development questions. It had not, however, fulfilled its potential as a centre of lively, open discussion. After initial creative work on commodities and the Generalized System of Preferences, UNCTAD had stagnated. Reform was imperative. Changes were called for in the core of UNCTAD's work methods. Political and economic changes in the world had brought Governments to a point where the desire for cooperation and the possibility of true cooperation converged. UNCTAD's institutional mechanism had to be changed to allow this to happen in UNCTAD meetings. It should achieve a high level of credibility through policy discussions based on sound, rigorous, balanced analysis so that work done in UNCTAD would influence policy makers around the world. Contentious statements and meaningless negotiation on disregarded resolutions should be ended. On any issue a variety of possibilities should be explored. Sovereign nations should not fear stepping beyond regional or group positions. Openness should be an integral part of the reform of UNCTAD.

607. Technical assistance was another important facet of UNCTAD's development activity. Trade facilitation, electronic data interchange (EDI) and assistance to developing countries on using financial instruments to manage price and other commodity-related risks were areas in which UNCTAD could make an important contribution.

608. The United States was committed to finding ways to speed development. Apart from being the largest aid donor in volume terms, the United States devoted particular attention to the quality and high grant element of its aid and has also been in the forefront of debt relief initiatives.

609. Specific reforms in UNCTAD's methods of work were needed so that money and talents could be used most efficiently in the development process. Good health, decent education, employment opportunities, adequate food and, particularly, the freedom to enjoy the fruits of human labour were the common goals of the Member States of the United Nations. UNCTAD had to become a vital organization for reaching these goals.

610. The development legacy of the 1980s showed that national policies were the single most significant factor in development success. International policies were very important but they did not determine success or failure. The role of the private sector and private investment in development was crucial. Strong private sectors, active capital markets, and open investment regimes, which were vital for development, could occur only under a liberalized trade regime. Therefore, the highest priority was put by the United States on the successful conclusion of the Uruguay Round.

611. UNCTAD could make a significant contribution to understanding what worked and what did not in terms of national policies. It should address questions of national policies. Nearly all economies were currently in transition and there was much to be learned from sharing national experiences not only among developing countries but also among many others.

612. An attitude of cooperation rather than confrontation had to be adopted. Only a genuine, solid international partnership based on equality could provide the new impetus for progress. A commitment to engage in this new kind of cooperation could be called the "Spirit of Cartagena".

613. The representative of Uruguay drew attention to the asymmetry between, on the one hand, advances made in resolving political problems (which had reinforced the role of the United Nations) and, on the other hand, the failure to make progress in solving many of the economic problems, where existing multilateral mechanisms did not function adequately.

614. Development had always been, and would always be, one of the main items on the agenda of the Conference. In recent years, many of the approaches and models of UNCTAD had become obsolete; however, there remained enduring elements, such as the responsibility for development and for creating a favourable international economic environment to make it possible. With regard to the first element, UNCTAD was now called upon, under the rubric of "good government", to examine and evaluate national policies from a development perspective, complementing and enriching the work which had already been undertaken by other organizations such as IMF, the World Bank and GATT.

615. Regarding the second element, the building up of a favourable international economic environment depended to a great extent upon developed countries implementing responsible domestic policies, as these had great repercussions on the other actors on the international scene.

616. Good government required that both developed and developing countries undertake structural adjustment; there should be a balance in the sacrifices made by both. Adjustment had led to negative social consequences for developing countries; it was therefore inconceivable that some developed countries, faced with the need to make adjustments in specific sectors, for instance to deal with protectionist pressures, would argue that they were unable to do so because of the inherent social and political costs.

617. Another central aspect of particular importance for international policy management was the effort made by both developed and developing countries within the Uruguay Round to establish a more transparent and predictable international trading system, based on the liberalization of world trade and the application of GATT disciplines to the agricultural and textile sectors. These sectors had not been covered by such disciplines in the past and this had allowed protectionist measures to be applied to them by developed countries, with strongly adverse effects for the developing countries. Uruguay attached the greatest importance to the liberalization of the agricultural sector and pointed out the need for a prompt and successful completion of the Uruguay Round in order to avoid the uncertitudes of the current world economic situation.

618. When examining UNCTAD's role in the new international context, it was of paramount importance that, in line with its original mandate, UNCTAD be the most suitable multilateral forum for discussing and analysing the problems and policies of development. This role had to be preserved and strengthened, because there was no other international forum with a mandate to deal with development-related aspects in their totality and complexity.

619. The other central topic of UNCTAD's mandate was trade. In this respect, the trade liberalization to be derived from the Uruguay Round would require an analysis and discussion in UNCTAD of its effects on the relationships between trade and development and its repercussions for developing countries. The new topics on UNCTAD's agenda, such as trade, environment, sustainable development and drug trafficking should not affect the traditional agenda of UNCTAD.

620. The central element of the Conference was the process of revitalization of UNCTAD aimed at adapting the organization to the changing realities of the world economy. A crucial element of this process was the need for greater flexibility in the functioning of the group system; the creation of working groups would also add flexibility.

621. There was an agreement for the strengthening of the three main functions of UNCTAD: analysis, negotiation and cooperation. However, there should be equilibrium among them. There was need for a clear political agreement on this.

622. The representative of Venezuela said that development and the growing disparity between North and South were the principal issues on the international agenda. They needed to be addressed and resolved in order to guarantee the consolidation of a new era, supported by interdependence and international peace and security.

623. In this time of dynamic transformation, there was a shared responsibility to achieve economic, social and political stability. The international community needed to make joint efforts to proceed to a pragmatic and realistic dialogue and thus achieve a sound, secure and equitable world economy. The end of the bipolar confrontation, which for many years had diluted the potential of international economic cooperation, permitted the initiation of solid international cooperation between developed and developing countries.

624. A new international consensus on development should not be based exclusively on macroeconomic variables, but also on basic human conditions, such as poverty eradication and the fulfilment of basic needs in terms of housing, health, education and nutrition. The President of Venezuela had recently mentioned that the fortunate rapprochement and cooperation between East and West should not be at the expense of North-South cooperation.

625. As the members of the Security Council had recently recognized, peace and prosperity were indivisible and peace and stability required efficient economic cooperation to eradicate poverty and to promote a better time for everyone in freedom. UNCTAD VIII should provide a new impulse to an institution which had a dominating role in the combined development efforts.

626. The need to revitalize UNCTAD arose not so much from the desire to adjust it to the profound changes in the world, but rather from the requirement to reduce the gap separating the developing countries from international economic well-being. It was essential to abandon the traditional, unproductive confrontation which had, to a large extent, characterized the debates. Greater importance had to be given to the identification of policies conducive to more readily available financial resources for development, a more favourable and predictable economic environment, a true transfer of technology which recognized national capabilities, transparent and non-discriminatory access to international markets and greater participation in world services trade.

627. In order to be just and balanced, a development process should be sustainable, making rational use of the environment in a way which would not limit development ambitions and the needs of developing countries. Development policies should guarantee that economic and ecological processes could be sustained in the long run. This implied the recognition of clearly differentiated responsibilities for developed and developing countries.

628. There was a need for the transfer of environmentally-sound technologies and new financial resources additional to development assistance. The multilateral trading system should be strengthened in order to support structural-adjustment processes in developing countries. The possibility of achieving a more favourable economic environment had been delayed because the Uruguay Round negotiations had not yet been concluded. The package presented by the Director-General of GATT reflected an extraordinary effort to balance often diverging aspirations and interests. These preliminary results represented a substantial improvement.

629. South-South cooperation was a priority area; and regional and subregional integration processes had intensified in Latin America. In particular, a decisive impulse had recently been given to the Andean Pact, and Venezuela had increased cooperation with Colombia, Mexico, and all the Caribbean countries.

630. The representative of Yugoslavia referred to the global economic and political changes which offered an opportunity for international cooperation. However, the widening gap between developed and developing countries posed the greatest challenge to the international community. In the context of a new partnership for development, there was a close linkage between national and international policies, on the one hand, and development cooperation, on the other.

631. The developing countries had reaffirmed their responsibility for their own development, reliance on democratic political systems and open economic regimes. However, the success of a handful of developing countries should not be used as a pretext to prescribe policies. Domestic policies and especially the relationship between market forces and government intervention should fully respect the specificities of each country.

632. Environmental problems should be integrated into the overall policy and development strategy of all countries. However, account had to be taken of the importance of the external economic environment. Moreover, environmental protection in the developing countries could not be isolated from their development. The principle of sovereignty over national resources must be respected.

633. More debt relief, involving all debtor countries and including both official and commercial debt, was required. Moreover, the contribution of a successful and balanced outcome of the Uruguay Round was crucial for economic growth and sustainable development of all countries.

634. The revitalization of UNCTAD was seen as an important contribution to the strengthening of the United Nations system in the economic and social field. UNCTAD, while preserving flexibility, should focus on issues of global interdependence.

635. Concerning the tragic process that characterized the deepening of the crisis in Yugoslavia, he stated that only an integral and global negotiated settlement could contribute to the peaceful solution of the Yugoslav crisis. The recognition of the secessionist republics was premature and counter-productive. It would aggravate the situation and render conflicts even more difficult. It was certain that the international community had not found a satisfactory answer to the question of the relationship between self-determination and secession, especially if the latter was being effected unilaterally and with support from some countries. As one of the founding members of the United Nations and the Non-Aligned Movement, and without questioning the right of every nation to self-determination, Yugoslavia expected all countries to show understanding for its efforts in defence of its sovereignty and international legal personality, and to abstain from any actions which were posing a threat to his country today, since if such actions were tolerated any further, tomorrow they might prove fatal also to other countries.

636. Unfortunately, the economic sanctions applied by some developed countries against Yugoslavia through unilateral suspension of bilateral trade and transport agreements and the withholding of its preferential treatment under the generalized system of preferences hindered the search for a peaceful

settlement. Such sanctions were also a flagrant violation of the basic principles on international trade cooperation agreed upon by all UNCTAD member States and they had affected the innocent civilian population. Sanctions were a counter-productive instrument because they affected other countries as well and especially those enterprises interested in expanding trade and technological cooperation. The Government of Yugoslavia called on all developed countries applying these measures to reconsider their decisions and, in the light of an expected good will and atmosphere of understanding and cooperation at the Conference, to make their contribution by deciding to lift them.

637. The representative of Zaire declared that UNCTAD VIII was being held when the international community was undergoing profound changes which called for all nations to consider the possibility of building together a sound and more equitable world economy. The resources freed by the reduction in military expenditure since the end of the cold war should now be redirected to meeting development needs. In recycling resources released by the reduction in military expenditures, the errors of the past should be avoided and concerted management should be applied in order to help the developing countries' populations to meet their most essential needs. Economic liberalization undertaken by developing countries and structural adjustment programmes should take into account both economic objectives and social requirements aimed at eliminating the impoverishment of the population. The establishment and strengthening of economic blocs of developed countries should not lead to the introduction or deepening of protectionism against other countries, especially the developing countries. The principles of democracy and respect for human rights that the developing countries were striving for in their countries should also be introduced in international economic relations so that all countries would participate in decisions governing international trade and no group of countries would impose conditions on such trade. Zaire attached great importance to democracy and human rights and was currently installing these principles.

638. The prices of primary commodities, fixed without the participation of producing countries, were falling steadily while, conversely, the prices of goods manufactured from these commodities were rising. The hopes of developing countries for remunerative prices for primary commodities through implementation of the Integrated Programme for Commodities had not materialized. Meanwhile, the producers of primary commodities in developed countries were receiving all kinds of support from their Governments. International Commodity Agreements, already limited in number, had lost one after another their economic provisions and had become inoperative. The Common Fund was threatened with asphyxia only a few years after its establishment.

639. There was a need for international measures to redress the situation regarding commodities. Zaire therefore supported the proposal of Colombia for an International Conference on Commodities under the auspices of the United Nations. Such a conference should be preceded by a meeting of commodity-producing developing countries to consider modalities of marketing cooperation. Meanwhile, commodity exchanges should reflect genuine conditions of supply and demand. Developing countries should be involved in the management and supervision of commodity exchanges.

640. An increase was required of financial resources for development, in particular of public development assistance which should reach at least the 0.70 per cent figure agreed upon many years ago. With increased, better-conceived and jointly managed technical assistance, Zaire's economy, which was facing temporary difficulties, could recover rapidly.

641. Bolder measures than hitherto were needed to alleviate the burden of debt on the economies of the developing countries. The debt overhang imposed serious constraints on the development efforts of developing countries. For this reason an international conference to examine all aspects of the debt problem should be convened under the auspices of the United Nations.

642. Economic cooperation among developing countries was an important development factor. The strong commitment of Zaire to international economic and technical cooperation among developing countries was witnessed by its participation in regional and subregional cooperation in this sector. UNCTAD should continue to strengthen its support for such cooperation. Hitherto, the evolution in technological development had been at the expense of developing countries and had thus imposed a constraint on the cooperative advantage they enjoyed in the exploitation of primary products. Technology transfer was also essential. Hence there was need for a rapid resumption and conclusion of negotiations on a Code of Conduct on Technology Transfer.

643. UNCTAD had a primordial role to play in the United Nations system for the recovery of developing countries' economies. Therefore, UNCTAD should be strengthened, in particular in its technical assistance capacities, to assist developing countries to integrate themselves better into the international economic system. In this connection, Zaire welcomed UNCTAD's initiative on trade efficiency, in particular, through computerization of trade procedures. It requested that UNCTAD continue to assist developing countries participating in the Uruguay Round negotiations, the results of which should benefit all countries.

644. The representative of Zimbabwe stated that the important changes which had occurred internationally presented new challenges as well as opportunities for accelerated and sustained economic growth by developing countries. Zimbabwe subscribed to the new international consensus to enable all countries, particularly developing countries, to benefit fully from the production and exchange of goods, services, technology and information across national borders. In this connection, Zimbabwe attached paramount importance to the reactivation of the North-South dialogue based on genuine interdependence and mutual interest and benefit.

645. These imperatives should entail an open, viable and multilateral trading system which would enable full participation of developing countries in international decision-making and greater access of their exports to industrial countries' markets. The development efforts undertaken by developing countries should not be frustrated by protectionism in international trade. A successful and balanced outcome of the Uruguay Round was thus important.

646. The primary responsibility for the development of their national economies rested with the developing countries themselves. However, participatory arrangements would help distribute widely the fruits of development and allow all countries to have a say in all important economic decisions.

647. Economic cooperation among developing countries was important; especially so was the consolidation and strengthening of the Global System of Trade Preferences (GSTP), for which UNCTAD should provide maximum support through appropriate trade-financing measures, including the eventual establishment of an interregional trade financing facility.

648. Commodity policies and measures needed strengthening in order to create conditions for improved price levels. There was a need both for the further development of commodity schemes while preserving the spirit of the Integrated Programme for Commodities, and for an optimal use of the Common Fund.

649. The process of structural adjustment in developing countries called for a substantial increase in the resources available from bilateral and multilateral sources, in particular Official Development Assistance (ODA). Likewise, the efforts of developing countries to attract foreign direct investment should be complemented by measures on the part of developed countries to encourage capital investment in developing countries. There was also a need to establish a link between the creation of Special Drawing Rights (SDRs) and development finance as well as for limiting to the economic field the conditionalities imposed by multilateral and regional financial institutions.

650. With regard to external indebtedness, which was responsible for the reverse flow of financial resources from the developing countries, UNCTAD should be strengthened in its role of assisting developing countries with official bilateral debt rescheduling through the Paris Club, as well as through other debt renegotiations and debt management.

651. The needs of developing countries with regard to services should be taken into account in the formulation of related legislation and regulations; UNCTAD's mandate in the important area of services, which in many developing countries is still at a relatively backward stage, should be strengthened. Zimbabwe supported any dynamism and flexibility which could result in a revitalized UNCTAD.

B. United Nations Secretariat

652. The representative of the Economic Commission for Africa (ECA) said that the unexpected upheavals which had occurred on the international scene since UNCTAD VII would have consequences for multilateral cooperation and for the performance of the world economy in general and of developing countries in particular. Most developing countries, including African countries, continued to suffer from deep economic and political crises, while many advanced countries were facing recession. The theme of UNCTAD VIII reminded the world that its survival depended on the interdependence and solidarity of nations in strengthening multilateral cooperation.

653. The advent of a new international economic order required that poverty be reduced and eradicated, since poverty was the main obstacle to structural adjustment and to the democratization of developing countries. The primary responsibility for such eradication fell on the countries affected. However, success could be possible only if additional resources based on genuine international solidarity were made available in order to speed up the growth of the poor countries in proportions commensurate with the rate of population growth. In order to bridge the widening gap between developed and developing countries, there was need for a redistribution of income on a global scale and a substantial transfer of resources to developing countries through such measures as easing of the debt burden, stabilization of commodity export prices and revenue, increases in the volume of foreign direct investment and of official development assistance, and adequate transfer of techniques and technology.

654. The African crisis was one of external indebtedness, commodity dependency, reverse flow of financial resources, poor agricultural productivity and increasing unemployment. In order to emerge from the crisis, African economies would have to grow at an annual rate of 6 per cent and be granted official development assistance amounting to about US$ 30 billion in 1992, growing thereafter at a rate of 4 per cent per year. Africa also needed a lasting solution for debt relief in line with the original proposals made in various forums in respect of the payment of interest in local currencies, massive investments in productive sectors, particularly through additional resources generated from reductions in military expenditure, increased flows of resources through easier access to markets and increased export earnings, revitalization of the commodity sector through implementation of the Integrated Programme for Commodities, diversification efforts and producer-consumer cooperation. It was also necessary to enhance Africa's industrial development through the improvement and revitalization of technology transfer.

655. Speaking on behalf of his colleagues at the helm of the United Nations regional economic commissions, which had a lot in common with UNCTAD, he was quite conscious of many issues raised by delegates with regard to the restructuring of institutions. It was no accident that the Secretary-General of the United Nations had already set this process of restructuring in motion. That process was already under way in the regional economic commissions, with a view to better delivery of assistance. To this end, they were developing, individually and collectively, new approaches and modalities, taking fully into account the needs of their respective regions and the peoples they served. The regional arms of the United Nations system in Africa, Asia and the Pacific, Latin America and the Caribbean, Western Asia and Europe were ready to assist, cooperate, and supply the necessary regional inputs for the successful implementation of the decisions adopted by this Conference.

656. Since the inception of UNCTAD, the international environment had changed tremendously. Structural changes were needed in order to strengthen rather than weaken UNCTAD. The regional economic commissions, which were in a unique situation, had proved to be useful in assisting member countries to overcome many of their problems and contribute to the recovery of the international economy. A process of restructuring of these commissions had been initiated to strengthen their delivery capabilities, and they would provide the necessary regional inputs for the successful implementation of the decisions adopted by the Conference.

657. The representative of the Economic and Social Commission for Asia and the Pacific (ESCAP) noted that the Conference had been convened at a time when world economic growth was the poorest in recent memory. Persistent sluggish conditions in industrialized countries, economic and political upheavals in Central and Eastern Europe and the disruptions caused by the Gulf conflict had been the three major reasons for this situation. For ESCAP member countries, a successful completion of the Uruguay Round was viewed as essential for future growth; they thus sought balanced agreements on textiles and clothing, agriculture, tropical products and natural resource-based products. The draft Final Act was viewed as a good basis for negotiations but any unravelling of the package could prove counter-productive.

658. It was necessary to strengthen cooperation not only at the global but also at the regional level, while ensuring that regional arrangements for trade and economic cooperation did not become barriers to trade but rather functioned as the building blocks of a rule-based multilateral trade regime. The developing countries of Asia and the Pacific were experiencing considerable uncertainty as a consequence of volatile world economic conditions. There were two distinct groups of countries: the rapidly industrializing middle-income countries, and a second group encountering serious macroeconomic imbalances, widespread poverty, rapid population growth and environmental deterioration. China and the East Asian newly industrializing countries (NICs) had performed strongly in 1991 as had the South-East Asian countries with the exception of the Philippines. South Asia had shown considerable resilience in the face of stiff challenges but the least developed and small island economies had continued to remain seriously handicapped.

659. The ESCAP countries had further extended market deregulation and import liberalization measures, maintained competitive exchange rates, lowered tariffs and non-tariff barriers, improved their fiscal balances, controlled expenditures by eliminating or reducing subsidies, expanded revenue through tax reforms and continued the restructuring of the manufacturing sector with consequent changes in export composition. They had become progressively more integrated into the world economy and indeed were the most dynamic developing segment of world trade, attracting a large share of global foreign investment and private bank credit, while forging closer linkages among themselves. ESCAP had fostered the emergence of interregional trade and monetary cooperation mechanisms and was reorienting its own structure and work programmes away from a sectoral to a thematic approach in which each theme linked a number of related issues under the purview of a core programme. Three such issues had been identified: regional economic cooperation; the environment and sustainable development; and poverty alleviation and economic growth. Trade-related activities of ESCAP would focus on interregional issues as there was a need to spread more equitably the benefits of the region's dynamism and growth by strengthening linkages between the region's developed countries, NICs and the ASEAN-4 with the poorer economies of the region.

660. The record of successful past cooperation between UNCTAD and ESCAP had included the GSP, Trade Expansion and Inter-enterprises Investment Promotion, and Economic Restructuring and International Trade in the Mineral Commodities Sector. Further expansion of this cooperation was expected. The new Programme of Action for the Least Developed Countries, which had raised high expectations, was also of special interest to ESCAP as there were now 13 least developed countries in the region.

661. The representative of the Intergovernmental Negotiating Committee for a Framework Convention on Climate Change (INC/FCCC) declared that the historical vocation of UNCTAD had been to carry out a critical analysis of conventional wisdom, and to advocate change in pursuit of a vision of an efficient and equitable world economy. This vocation was still essential today in order to help find solutions to the world's complex problems. A world in which free people could prosper must accommodate a healthy diversity of ideas and ensure that democratic institutions nurtured such pluralism.

662. UNCTAD could usefully extend its critical analysis into the field of sustainable development, the objective of which required efficient resource use, equitable sharing of resources and strengthened legal systems, as well as participatory institutions - at the local, national and international levels. Working out the economics of sustainability and elaborating instruments that would implant this new thinking in real economic life were the major tasks for this decade. UNCTAD could surely contribute significantly to this endeavour. Among the problems of sustainable development, climate change was the one that embraced all humanity. The confirmed trend of global warming was expected to have wide-ranging regional impact, mostly negative. Developing countries were likely to suffer most, ecologically and economically, from global warming and this might aggravate global inequalities. It was now clear that the main cause of climate change was the rise in the consumption of fossil fuels (coal, oil, natural gas), notably in industry and transport, and it would not be realistic to rely on forest policy to compensate for rising emissions of carbon dioxide (CO2) which was the main greenhouse gas.

663. Therefore, for the foreseeable future, the key would lie in the more efficient and equitable use of fossil fuel resources. Energy policy went to the heart of all industrialized and industrializing economies, as well as those where the production and export of fossil fuels was a major activity. This explained the fact that negotiations on climate change were considered as one of the most important economic negotiations on the international agenda today.

664. It was therefore to be expected that climate change would have an impact on UNCTAD's future work. Economic policies adopted in response to climate change and the effects of those policies would need to be taken into account in UNCTAD's analytical work, notably on trade policies. International cooperation in this area should also yield new initiatives to promote financial and technology transfers to developing countries.

665. The representative was convinced that member States would reach agreement in time for the Convention to be opened for signature in June 1992 during the United Nations Conference on Environment and Development. Too much was at stake for them to miss that opportunity.

666. An effective Climate Convention should strengthen the base for long-term scientific collaboration among all countries, so as to ensure the data and assessments that must guide policy decisions. It should give clear signals of the likely evolution, over the next decade, of climate-related energy policies in industrialized countries, to help developing countries acquire the finance and technology needed to adapt to global warming and to adopt policies that contributed to its mitigation. It should also provide for an effective review

of implementation of commitments. An equitable Climate Convention would make it possible for developing countries to pursue their economic and social goals within the limits of tolerance that the dangers of global warming placed upon the whole world community. Such a Convention would be a step towards that efficient and equitable future which UNCTAD strived to promote.

667. The representative for the United Nations Capital Development Fund (UNCDF) said that before the planet became the much talked about global village, local villages of the underprivileged South must survive. UNCTAD VIII was a key opportunity to maintain the momentum of the drive for solidarity with the poorest countries expressed during the second United Nations Conference on the Least Developed Countries. Without specific assistance from the international community, these countries would not likely benefit from the momentous changes which were shaping international economic relations.

668. The experience of UNCDF in the fight against poverty showed that the people in the least developed countries were keenly committed to those development activities which met their needs. Three features of programme design for poverty reduction in the 1990s could be highlighted: first, small-scale investment at the grass roots level could foster the establishment of participatory mechanisms leading to a more democratic decision-making process at the local level; secondly, as a multisectoral investor which addressed the basic needs of both rural and urban lower-income groups, the Fund had a comparative advantage in designing integrated initiatives to stimulate the mobilization of those groups in the restoration of their environment; thirdly, as a specialized agency for the provision of credit delivery systems, the Fund would expand its support to private entrepreneurship through promotion of micro- and small enterprises. These programme policies could be effectively implemented through a worldwide UNCDF monitoring system located in UNDP field offices.

669. With seven new countries in the LDC category, the Fund had urgently to reach critical mass by a $100 million programme per year in order to maintain a minimum impact threshold; otherwise it would not be in a position to start meaningful programmes in those new countries.

670. It was thus hoped that UNCTAD VIII would endorse the call for the strengthening of UNCDF recently made by the representative of Bangladesh, on behalf of the LDCs, during the Special Meeting on LDCs held during the Conference. The message was that small specialized aid programmes targeted at the poor made sense: not only did they respond to an ethical imperative but they might also prove to be economically efficient and ecologically sound, since they took into account the needs and perceptions of the people they served.

671. The representative of the United Nations Centre for Science and Technology for Development (UNCSTD) said that the reduction of political tensions at the international level was creating more favourable conditions for cooperation in favour of development, but the success of such development would be very dependent on the way the international community took advantage of the new global political conditions for solving the problems of the poorest

nations. UNCSTD had emerged as a result of the United Nations Conference on Science and Technology for Development in 1979, and its objectives had recently been reaffirmed by the United Nations General Assembly. Such reaffirmation was in fact a recognition of the decisive role of science and technology in development.

672. Scientific research was costly, required large infrastructures and made use of the most advanced technologies. There was an increasing gap between developed and developing countries with respect to their scientific and technological capacity, and this was important because endogenous scientific and technological capacities were essential elements for the building up of efficient economic structures in developing countries, as well as for the effective insertion of these countries in the international economy.

673. A new emphasis was being put on the reinforcement of developing countries' endogenous capacity for the management of science and technology and on the particular importance of such capacity for the orientation of research activities in developing countries. As regards the least developed countries, the reinforcement of such capacities in the entrepreneurial sector, particularly in small- and medium-scale firms, was important, as was the setting-up of professional links among the so-called managers of technological change at the national and international levels.

674. National plans as well as international cooperation for scientific and technological development encountered difficulties because investments in that field were not producing tangible economic results in the short term; for that reason, the allocation of resources for science and technology had to be done in parallel with the implementation of urgent measures in areas such as the struggle against extreme poverty. New technologies, as well as decisive scientific advances, had transformed the world perspective of such issues and thus gave rise to a need for renewed international cooperation, which should result in an improvement of the analytical capacity, as well as of the technical quality, of international cooperation.

675. There was a need for developing countries to seek from the international community clearer and more unified ways of resolving a number of interrelated issues linked to their development policies, such as: the internal and external conditions of competitiveness in the international system; the promotion and regulation of foreign direct investment; technological innovation, including the transfer of technology and the generation of it in countries with indigenous technologies; and participation in protecting the environment at the local, regional and global levels. The collaboration between the UNCSTD and UNCTAD was a practical necessity, and both institutions, having in mind the different level of resources available to them, had an evident complementarity in their programmes; that was why such collaboration had been fruitful and needed to be continued and even intensified.

676. The Secretary-General of the United Nations Conference on Environment and Development (UNCED) recalled the close linkage between the issues being considered at UNCTAD VIII and those which would be before the world leaders at the Earth Summit in Rio. The results of UNCTAD VIII would clearly influence the prospects and outcome of the Summit.

677. Although the link between environment and development had long been recognized, environmentally destructive development had continued to a point where it posed grave and growing threats to the environmental and economic future of the world community. A situation of zero growth was not a viable option for any country, particularly developing countries. But if the existing unviable growth model prevailed, the eventual result would indeed be no growth. A new pathway of sustainable development was the only way to ensure better living conditions and a more secure, equitable and promising future, in both environmental and economic terms.

678. Agenda 21 of the Earth Summit was expected to produce decisions within its Agenda 21 which would establish the basis for a global partnership for sustainable development. The first aspect of Agenda 21 was the revitalization of growth and development. A commitment to resolving the long-standing problems of trade, debt, development finance and related domestic policies was a key element. Another aspect was a substantial reduction and ultimate eradication of poverty. The quality of life for human beings depended critically on the physical, social and economic conditions in all types of human settlements. Changes in the patterns of life and reductions in demographic pressures were essential for reducing the demands on natural resources. Industrialized countries had to reduce their current disproportionate use of critical resources and leave more environmental "space" to developing countries as they proceeded with their development. Waste management was another important dimension for a safe environment.

679. An integrated view of environment and development had to be reflected in a modification of attitudes and changes in decision-making processes. It also required better data and information systems for development and environmental monitoring. A major transformation of technology would also be needed in most sectors. Information on environmentally sound technologies must be made widely accessible.

680. The cost of all the actions covered in Agenda 21 would be met primarily from domestic resources. However, concessional resource transfers to developing countries would be needed for some 20 per cent of the cost. This had been estimated at approximately $125 billion per year, some $70 billion above the existing levels of official development assistance. Although this could be seen as unrealistic, the case for an "Earth increment", as an essential investment in global environmental security, was a compelling and persuasive one. In the perspective of a world product approaching $25 trillion, the required amount should surely appear manageable, especially when viewed in relation to the size of military expenditures or agricultural subsidies.

681. Regarding the revitalization of growth and development, Agenda 21 recommendations included economic-policy reforms, an open international trading system, improvement in the terms of commodity trade and adequate positive financial flows. Poverty alleviation and its ultimate eradication required efforts directed at increasing both the earning capacity of the poor and their access to the goods and services essential for their well-being. There was an emphasis on the promotion of participatory processes when defining needs, investment in human development and institutions, the

re-orientation of technical cooperation from supply-based to demand-driven and its improved coordination, as well as the lengthening of time horizons in programme planning.

682. The preparations for the Earth Summit had been carried out in close consultations with UNCTAD. This had contributed to the formulation of UNCED proposals to integrate consideration of the environment and development in decision-making and the utilization of economic instruments to achieve environmental goals. As UNCTAD reviewed its mission in the context of structural changes being made within the United Nations, and as Governments considered the institutional follow-up to UNCED within the United Nations, it might be useful and timely to examine, as one option, the possibility of integrating environment with trade and development in a revitalized and re-oriented UNCTAD.

683. The representative of the United Nations Department of Technical Cooperation for Development (UNDTCD) said that the eighth session of UNCTAD was taking place in the midst of tremendous political and economic changes, both in national economic structures and systems and in international economic relations. The resulting transitional state of affairs presented both challenges and opportunities.

684. UNDTCD was the principal operational arm of the United Nations secretariat in the field of technical cooperation and thus expected to play a major role in assisting developing countries to adjust their economies to the new realities. National capacity-building continued to be the main objective of UNDTCD's programme, with particular emphasis on institution-building, human resources development and natural resources exploration, exploitation and management.

685. Developing countries had found the UNDTCD's expertise useful and relevant, as shown by the increase in the resources of the Department, as well as in the number of projects implemented. In order to respond to the changing needs of the developing countries, the Department had strengthened its delivery capabilities. New approaches, modalities and tools had been developed, and efforts had been made to broaden the spectrum of expertise available in the UNDTCD, in particular in the field of macroeconomic planning and management, development administration, natural resources and energy, statistics and compilation of national accounts, and computers and informatics.

686. Two particular issues were to be highlighted, namely the economic reforms taking place in developing countries, as well as in countries that used to be described as centrally-planned-economy countries; and environmental concerns, which figured prominently in UNDTCD's programmes as well as in the debate of UNCTAD VIII. Under heavy pressure from their current accounts and budget deficits, a large number of developing countries had undertaken policy reforms whose objectives were to restore macroeconomic balance, to increase the efficiency of the factors of production and to create conditions for economic growth, and UNDTCD was active in assisting developing countries in that endeavour. With respect to countries moving away from centrally-planned economies to market-oriented economic environments, UNDTCD had started to develop its internal capabilities with the aim of responding to increasing requests for assistance in that area.

687. It was widely recognized that economic development issues were inseparable from environmental ones. UNDTCD had been addressing those issues for some time and had also been actively involved in the preparation of UNCED. UNDTCD had developed its own "Framework for Action" dealing with environmental management and sustainable development, with a view to integrating environmental objectives into all phases of UNDTCD's technical cooperation programmes and projects. At the same time, UNDTCD had sought to ensure that its objectives and activities relating to environmental management were consistent with those of other international agencies and funding sources and fitted within the overall framework of the United Nations system-wide Medium-term Environment Programme (1990-1995).

688. UNDTCD and UNCTAD had cooperated closely in a number of technical assistance projects. That had been particularly the case in the preparatory process for the second United Nations Conference on the Least Developed Countries in September 1990. He was looking forward to expanding the cooperation between UNDTCD and UNCTAD.

689. The representative of the United Nations Development Programme (UNDP) referred to the complementarities between UNDP and UNCTAD. The central themes of the Conference, namely the strengthening of national and international action and multilateral cooperation and institutional reform, were areas of concern to UNDP, and UNDP hoped to continue to be supportive as UNCTAD expanded its technical cooperation activities, within its mandate.

690. There was a need to deploy the gains of recent times for the benefit of people. It was now universally acknowledged that people should be at the centre of all development.

691. Programmes and projects in a wide variety of areas were funded by UNDP and executed or implemented by more than 30 specialized agencies or other bodies in the United Nations system, including UNCTAD. Mobilizing resources for development - a major concern of UNCTAD VIII - was of great concern to UNDP. The priority accorded to the LDCs was also reflected in UNDP activities. As the problems of recipient countries continued to grow and the number of countries was increasing, the question of resources for development would be discussed in great depth at UNDP's regular session in May 1992 in Geneva.

692. This was the time to rejuvenate and reactivate multilateralism and development cooperation. There could be no peace and security without development, and no development without peace and security.

693. The representative of the United Nations Fund for Population Activities said that direct intervention in favour of slower population growth and balanced development with equity and security for all would be essential in the 1990s. It would contribute to the reduction of poverty and reduce pressures for migration within and between countries. To achieve this it was necessary to improve the situation of women, their health, education and economic well-being, as well as their access to information and services enabling them to space their pregnancies and to have the desired number of children.

694. World total population now stood at over 5.4 billion and was increasing at an unprecedented pace. By the year 2025 population was estimated to reach 8.5 billion; 95 per cent of the population growth would be in today's developing countries, with a concentration in Africa and South Asia.

695. The pressures of population growth, combined with growing income disparities between industrialized and developing countries, were steadily increasing the pressures favouring migration. Without migration, the workforce in industrialized countries would barely increase over the next 30 years; it would actually fall in Europe, but rise rapidly in North Africa.

696. Within countries, economic and environmental pressures were accelerating the process of urbanization. Cities in developing countries were growing far faster than their ability to cater for the new arrivals. Migration on a very large scale served to increase rather than reduce the incidence of poverty. Migrants across international borders often tolerated worse conditions of work and life than nationals of the host country in the hope of improvement some time in the future; but experience showed that this hope was often dashed in most cases.

697. The number of absolute poor had grown during the 1980s to over 20 per cent of the world's population. The number had increased dramatically in countries where economic growth was slow or stagnant. There were many reasons to believe that there was a negative correlation between high rates of population growth, economic performance and the incidence of poverty. Extreme poverty interacted with population dynamics in a variety of complex ways. High fertility in poor families reduced the rate of income per child and therefore the amount available for investment in food, education and health care, reducing the chances of poor children to overcome their poverty, and condemning succeeding generations to a life without hope of improvement.

698. Over the last three decades, developing countries had been successful in raising life expectancy, lowering fertility, and reducing the incidence of poverty, malnourishment and illiteracy as a proportion of the population. Nevertheless, because of rapid population growth, the numbers of the poor had risen. During the 1980s, the task of Governments had been made more difficult by high debt-service payments and adverse terms of trade. Economic problems had often led to reduced amounts available for expenditure on education, health and family planning. This situation had to be rectified because the availability of social services was a critical determinant of fertility and population growth.

699. The status of women could be directly improved by social development programmes and by legislation protecting rights to personal property, inheritance, rights within marriage, limits on age at marriage, requirement of voluntary consent, and the abolition of practices such as dowry or bridewealth.

700. The ability of women to make their own choices about fertility was critical for social development. Achieving it depended very much on a change in male opinion regarding marriage, children and family planning. It was also important to make available a wide variety of methods of modern contraception,

together with the information and education which would make them useful. A climate of support for family planning at the level of the church, the school and the family was also necessary.

C. Specialized agencies, GATT, International Trade Centre UNCTAD/GATT

701. The representative of the Food and Agriculture Organization of the United Nations (FAO) said that while the global value of agricultural exports had increased quite strongly in recent years, the growth of developing countries' exports had lagged seriously behind that of developed countries. In particular, while the real prices of developed countries' agricultural export commodities had recovered somewhat since the mid-1980s, the terms of trade of developing countries' exports had worsened drastically.

702. Citing the conclusions of the 26th FAO Conference, he stated that substantive reductions in protectionism in agricultural markets as well as wider access to them were essential for agricultural exporting countries, particularly developing countries. Continued high levels of protectionism seriously hampered the efforts of many countries to restructure their economies and to service and reduce their debt burdens. There was an urgent need for reductions in domestic support and export subsidies, and improved market access for agricultural products. There was also need for special and differential treatment of developing countries; for achieving the fullest reductions in trade barriers to products of export interest relevant to them; and for measures in favour of net food-importing developing countries.

703. Without agricultural trade reform, it was difficult to imagine how the current efforts of many developing countries and former centrally planned economies, to revise incentives and the role of price signals, could succeed. Subsidization of exports, if this continued, would have negative budgetary implications for many countries and disastrous results for competitive exporters. Many of the developing countries and former centrally planned economies had adapted their food and agricultural policies to the new realities of an interdependent world; industrialized countries needed to do likewise.

704. FAO had been providing concrete support to the GATT secretariat and technical advice to participating developing countries; it expected to play a key role in the application of an eventual Uruguay Round agreement on sanitary and phytosanitary measures.

705. Experience showed that market-oriented agricultural policy initiatives in isolation did not always ensure food security for all because of the effects of war and civil conflict and their aftermath, all too often coupled with recurrent drought and other natural calamities. These concerns continued to demand the active, humane response of the international community.

706. Policy reforms should not lose sight of fundamental human problems. Neither should they mean the withdrawal of the State from all economic activity: there was a need for efficient intervention by the State geared to human-resource development and institutional and infrastructural improvement.

707. The creation of trade opportunities constituted the preferred means to earn the foreign exchange resources needed for development. However, the heavy burden facing many economies, particularly the LDCs, required renewed efforts to raise both the volume and the quality of international development assistance, which was grossly inadequate, as were private capital inflows.

708. Domestic and international policy reforms had also to take full account of concerns related to degradation of the environment and the sustainability of development. FAO was energetically engaged in ensuring that environmental considerations were integrated into all its activities and it was active in collaborating with other United Nations organizations, including the United Nations Conference on Environment and Development (UNCED).

709. The year 1992 would see UNCED take place, the conclusion of the Uruguay Round, and the holding of the first International Conference on Nutrition. UNCTAD VIII - with its focus on strengthening national and international action and multilateral cooperation for a healthy, secure and equitable world economy - was fittingly the first of these major events.

710. The representative of the General Agreement on Tariffs and Trade (GATT) said that the dramatic political and economic changes taking place in the international arena had made the 1990s a watershed in recent human history. Multilateral cooperation was therefore even more important than before, and in a very concrete "bread and butter" sense. Open markets meant more trade - and the contribution of trade to GDP was greater in much of the developing world than in the developed - but they also meant increasingly fierce and often bitter competition among nations and private operators seeking to capture the opportunities created.

711. GATT philosophy did not advocate trade growth as a panacea for all ills. It did, however, stress that bad and restrictive trade policies, or the sheltering of sectors of production from the winds of undistorted competition, led to more, not fewer, problems, including the weakening of the overall economic and social structure itself. The central pillar of GATT was non-discrimination, anchored in the belief that undistorted competition was a spur to positive and continuous adjustment towards self-sustaining development.

712. An integrated world economy had blurred the line between actions taken by Governments in respect of international trade, and their so-called purely domestic measures. The international accountability of countries, and the multilateral surveillance of actions taken within national frontiers had led to increasing requirements for transparency. Political courage was also required as it was essential to heed public opinion without allowing short-term problems to compromise the longer-term vision. In the task of bringing efficiency and credibility to the multilateral system, leadership had to come from the big and powerful.

713. In such circumstances, the multilateral trading system had to serve two essential goals: to provide security and predictability for undistorted competition on the basis of clear-cut, multilaterally-agreed rules; and to serve as a credible reference point for the domestic, political and economic reforms being pursued by Governments all over the world. All countries had to help achieve these goals, according to their capacities and circumstances.

714. The world economy badly needed economic stimulus. This required concrete actions where the common thread was that Governments had to ensure that the structure for multilateral cooperation in the trade, finance and development fields would together create an environment of security in which traders, producers, consumers, exporters, importers and investors all over the world could get on with their business with confidence.

715. He emphasized that UNCTAD VIII complemented and reinforced the efforts of Governments to bring the Uruguay Round to a successful conclusion. That Round was the first real opportunity to put in place a strengthened and expanded multilateral trading system able to serve the changing needs of the international trading community for the remainder of this century and beyond. Many of the hopes of GATT members, who increasingly saw GATT as the only secure route towards integration into the mainstream of the world economy, were tied to the successful conclusion of the Round.

716. The Round's "Draft Final Act" contained the results of five years of intensive negotiations on, inter alia, significantly improved market access for industrial and agricultural products, broad reinforcement of GATT rules and disciplines, bringing long-neglected sectors such as textiles and agriculture under GATT disciplines, and extending the benefit of multilateral rules to new areas such as services, intellectual property rights and trade-related investment measures. Developing countries had actively particpated in the negotiating process and their concerns were reflected in the "Draft Final Act".

717. The GATT representative stressed that so long as the outcome of the Round remained uncertain, it was impossible for Governments and traders to realize the potential that trade held for supporting economic growth in the 1990s and beyond. Growing economic interdependence and the disappearance of the division of the world into centrally-planned and market-economy camps had created alliances which cut across continents and countries: coalitions of interests were emerging based on national trade and economic interests rather than geographical ties. Such interdependence was the best hope for ensuring world economic growth and for spreading prosperity across the globe; the Uruguay Round was the instrument for achieving this hope in the trade policy field.

718. A strengthened multilateral trading system would help Governments to anchor current regional integration developments and initiatives in a clear framework of global disciplines and integrate regional markets with global markets. It would also make international cooperation more effective in coping with the competing demands in the interaction between trade and environment. The hour of truth for the Uruguay Round had arrived. A clear window of opportunity to achieve a successful conclusion must be found in the weeks ahead. The representative hoped that Governments would grasp this historic opportunity.

719. The representative of the International Fund for Agricultural Development (IFAD) noted that during the years since UNCTAD VII the number of people living in poverty and hunger had continued to grow and now exceeded 1,000 million. These people must also benefit from the winds of change of recent years, and a minimum of basic human rights, especially the right to

adequate food, had to be guaranteed to them. For this to happen, innovative approaches to mobilizing the domestic resources of the developing countries had to be found and applied, particularly to mobilize the under-used potential of the poor themselves. For this reason, IFAD had decided in the past year to focus on perhaps the most critical question in this regard, namely the reinforcement of the economic role of poor rural women. In Africa, women were responsible for 70 per cent of food cultivation; in both Asia and Latin America, they were actively engaged in the production of food. Indeed they had a triple function: cultivators, wage-earners and mothers/housewives. The share of women among the poor rural population was over 60 per cent, a figure projected to rise further. It was therefore imperative to break, and then to reverse, this trend. IFAD had noted that even small sums of money lent to rural women enabled them to increase their productivity and thus improve their own and their country's food security. For this reason, IFAD had developed a programme of action for the economic advancement of poor rural women, which included a "summit" of wives of Heads of State to be held in February 1992. The representative hoped that UNCTAD VIII would support this "summit".

720. The representative of the International Monetary Fund (IMF) said that the global arena had changed dramatically for the better since UNCTAD VII. The momentous political and economic changes had brought new opportunities, but also risks for the world. Realizing the opportunities would take time, but the risks were immediate. Four salient features marked the present, each combining risks and opportunities. First, democracy had spread virtually worldwide. But democracy was vulnerable: it required the consolidation of the economy, but that very consolidation entailed the risk that leadership would become complacent or give way to excessive demands, creating a vicious circle of demagoguery, inflation and economic instability which would lay the ground for the return of dictatorial regimes.

721. Second, the ending of the cold war had opened up the prospect of concentrating more resources on fostering prosperity and human progress, but simultaneously had fuelled a resurgence of anachronistic nationalism creating the danger of intense regional or local conflicts. Third, the "silent revolution", entailing a widespread consensus on what economic strategies were effective and a greater number of countries implementing strong policies, also bore the risk that the heroic degree of commitment to persevere for many years with good programmes and far-reaching reforms would falter, through a political setback or "adjustment fatigue", before the process was completed.

722. Fourth, the emerging more integrated world economy carried the potential for stronger and broader-based development over the longer term, but carried with it three serious risks. There was a risk of financial instability, but the progress achieved in financial cooperation justified confidence in the world's ability to deal with it. There was a risk of the marginalization of developing countries, but through political will the world could deal with that, whether in the field of trade (which required a positive conclusion to the Uruguay Round) or finance (where the potential global shortage of savings could be dealt with through better international cooperation and reductions in all forms of unproductive spending). The third risk was that the countries undertaking structural adjustments for growth, or those in transition to a

market economy, would not persevere with their sound policies and would fail. Such a failure would entail the danger of losing the benefits of globalization, undermining democracy itself, and ultimately endangering the prospects for a more peaceful and cooperative world order.

723. To help countries persevere with their strategies, the international community needed to reaffirm the "unwritten contract of international cooperation", which entailed that the rest of the world would reward perseverance by maintaining good access to markets and by extending adequate financial assistance on appropriate terms. Better policies needed to be matched by better financing. Colombia was an example of the better policies which could produce sustained and healthy growth over the medium term. The better financing required increased ODA, simplified and speedier processes to disburse it, and the reduction and eventual elimination of tied aid. Further improvements were urgently required on debt. The debt strategy was working well in general, but several countries, including some of the poorest, needed stronger policies and better support by donor countries. It was time to deal with the rest of this problem: it was possible, and overdue. In that connection, he announced that he would propose adding 11 more countries to the list of countries eligible for ESAF. Moreover, the Executive Board of IMF was examining whether conditions were propitious for a new allocation of SDRs; the chances for a consensus on that would be improved if scrupulous care were taken to preserve the monetary character of the SDR.

724. In the area of governance, the industrial countries needed to increase their provision of technical assistance for institution-building and training, whilst the recipients of such assistance might have to undertake far-reaching reforms to improve the efficiency of government and the answerability of public institutions, as well as redoubling their efforts to fight corruption.

725. Poverty alleviation, including the adoption of appropriate social safety nets had to become a more integral part of growth-oriented structural adjustment programmes and programmes aimed at transition to a more efficient economic system. To this end, donor countries should target their assistance to foster human development. In turn, developing countries could increase support from donor countries if they addressed poverty and income distribution issues, including education and health services for the poor, as well as fiscal reform to mobilize domestic savings. More resources for development could be derived from military spending cuts by both industrial and developing countries. There could be few more urgent tasks than ensuring an orderly demobilization of armed forces and guerillas. It would also be important to give true priority to the international traffic in drugs and the associated "laundering" of illicit funds. The continuing excessive growth of the world's population was one of the most serious problems facing the human race. Any effective approach to the population problem would need to include a serious effort to improve the education and health of women, particularly those in the rural areas of developing countries. The forthcoming summit on the economic advancement of rural women was particularly welcome in this regard.

726. The representative of the United Nations Educational, Scientific and Cultural Organization (UNESCO) said that there had recently been increasing dissemination of ideas, knowledge and their implementation. Changes had occurred in the agricultural, industrial, political and services geography.

However, in some countries the intensive circulation of technologies was in sharp contrast with continued poverty. The dissemination of knowledge was necessary to control, adapt, choose and repair technology.

727. Some progress had been made. Since 1990, illiteracy had decreased and development was evidenced in human as well as in sustainable, rural and endogenous terms. Economic growth was essential but insufficient in itself and should not be imposed at excessive economic and political cost. Structural adjustment programmes had to be tailored to fit the countries concerned. The crucial importance of conservation of resources, the establishment of scientific and technical infrastructure for the acceleration of development and the strengthening of competition on a world level was becoming increasingly apparent. It was necessary to make effective use of economic and human resources and to promote economic growth, technological capacity and accelerated development.

728. Higher education was necessary, to promote competition, an entrepreneurial spirit and sense of innovation, as well as training high-quality professionals for the services sector - an expanding area for employment. External assistance was important, but countries should place education at the top of their national priorities.

729. It was essential to avoid discriminatory treatment in financial, technological, commercial or "talent" flows. Another matter for concern was increasing protectionism. Industrialized countries had to understand that their long-term interests lay in economic progress and in social and political improvements in the developing countries. It was a paradox that the South was moving towards free trade and economic reform while the industrialized nations were erecting trade barriers. Without free trade and market access, poverty eradication through economic development would not be achieved.

730. In concluding, he said that international cooperation was necessary to fight pollution, poverty and population growth. Advantage could be taken of the availability of resources arising from détente, but in the end for a better future the prevailing force was that of the mind.

731. The representative of the World Bank said that the Bank Group had decisively re-emphasized poverty reduction in its lending. It had increased assistance through policy advice and lending to countries pursuing adjustment efforts. It had participated actively in debt-reduction, supported trade-policy reforms, integrated environmental considerations into the mainstream of its work, and launched a programme to increase the role of the private sector in developing member countries.

732. Sustainable development and a determined attack on poverty called for developing countries to follow firm policies and strengthen their institutions, while the international community fostered an external environment favourable to such domestic reforms. As more countries embarked on adjustment, and as the global environmental crisis deepened, vast new needs should be matched with additional economic, intellectual, managerial and institutional resources.

733. The end of the cold war could release vast resources in the developed and developing worlds when switched from wasteful military expenditures to investment and development; the growing consensus on development strategies encouraged developing country Governments to concentrate on priority areas, such as investing in people and maintaining a "market-friendly" climate, while freeing the private sector in these economies to realize its full potential.

734. The international community had a shared responsibility for achieving sustained development in the 1990s. The quality of domestic policies and institutions chiefly determined economic health: macroeconomic equilibrium had to be maintained or re-established. This meant living within one's means. The implication was often orderly reductions in expenditures while protecting and improving programmes for the poor. Micro-economic efficiency was also vital: prices should reflect costs and scarcities and provide rational incentives to produce and save. Development could not occur without adequate investment. Governments could help by pursuing policies that fostered private savings, and by exercising self-restraint themselves, including as regards military expenditures. Social policies were also an important prerequisite for development. Educating females and raising their status was one of the most effective investments that societies could make and the best road to slower population growth. Rapid population growth continued to pose a major threat to development and required urgent attention.

735. Industrial countries could help by re-establishing the conditions for sustained, non-inflationary growth in the OECD economies, ensuring better macro-economic balances and higher savings rates. This would help to reduce long-term real interest rates, and thus lighten the debt-service burden on developing countries while raising their import capacity. They could also help by making developed country markets more accessible to developing countries, especially by bringing the Uruguay Round to a successful conclusion such that trade barriers were significantly lowered globally. They could likewise help by: assisting developing countries to manage commodity price risks using private market instruments, which would be greatly facilitated by introducing suitable mechanisms into the framework of the Common Fund; increasing official development assistance for countries pursuing sound development strategies; and, further relieving the debt and debt-service burdens of severely indebted countries.

736. International institutions would be at the heart of this shared responsibility. They should create a framework within which non-inflationary growth, trade and development could flourish. They must provide policy advice on, and technical assistance for, the reforms which countries had undertaken. They must be catalysts for mobilizing funds for development and debt reduction and in coordinating donors' and recipients' progress towards shared goals.

737. The IBRD's headroom - at some $60 billion - was sufficient to respond quickly to strong programmes and projects in middle-income countries, while meeting the needs of potential new members from the Commonwealth of Independent States and the Baltic States. Concessional resources, however, remained scarce. IDA had long been crucial in meeting demands for concessional resources and had extensively helped the poorest countries to adjust. Discussions on a Tenth Replenishment of IDA were under way. Adequate

replenishment would be important so as to enable IDA to respond satisfactorily to the growing needs of the poorest members while also meeting the requirements of many new claimants in all regions.

D. Other intergovernmental bodies

738. The representative of the African, Caribbean and Pacific Group of States (ACP) said that the decline in economic activity observed in most ACP countries was primarily a structural problem which required drastic external and internal measures. New concerns regarding environmental degradation and the democratization process had added to the marginalization of ACP countries. The majority of ACP countries were locked in a vicious circle of over-indebtedness, under-investment, increasing macroeconomic instability and inadequate external support, often accompanied by social and political conflict. The slowdown in world economic activity was significantly affecting the ACP countries.

739. Unlike other debtors, the ACP debt burden emanated mainly from borrowings from Governments and multilateral institutions. A particularity of the ACP countries was the high proportion of debt owed to multilateral institutions. The measures which had been taken to alleviate the debt-service burden and to help clear arrears were not sufficient. Further measures were needed, including interest rate subsidies and refinancing schemes funded, *inter alia*, by reflows or special trust funds. While the primary source of development finance continued to be the savings efforts of the ACP countries themselves, those countries would continue to rely on external financing to supplement their own efforts. Private financial flows were unlikely to revive significantly in the foreseeable future. Meeting their external financial requirements would require more vigorous debt-relief measures and bolder mobilization of official external resources. For the heavily indebted countries, a durable solution should include debt and debt-service reductions as a central element, since this was a prerequisite for increased access to financial flows.

740. The slump in the commodity prices in the 1980s had had a dramatic effect on ACP countries' economies. The problem of depressed commodity prices and their instability had been compounded by fluctuations in economic activity in major industrial countries. The ideal long-term solution to the commodity problem resided in a much greater participation of the ACP countries in the processing, marketing, distribution and transportation of their commodities. Donor countries and multilateral financial institutions should undertake to create a special fund to finance vertical diversification projects in the commodity sector.

741. In addition, and bearing in mind the chronic inadequacy of existing financial mechanisms, the international community should create a universal compensatory financing mechanism to address the structural causes of the decline in export earnings. Within the framework of the Uruguay Round, improvement of market access should be given full consideration. A large number of developing countries would continue to depend on preferential access as a means of facilitating their participation in international trade. Developed countries should improve the level of preferential access accorded to developing countries. Finally, considerable efforts should be made in the search for a solution to the commodity problem.

742. The representative of the Commission of the European Communities said that the end of the cold war had profoundly changed the conditions under which the United Nations operated. The Security Council had already seen its role and effectiveness in maintaining peace and security change considerably. This evolution should also reinforce the role of the entire United Nations system, and therefore also that of UNCTAD, in eliminating the economic, social and even ecological causes of world tension. The world economy was less buoyant today than at the time of UNCTAD VII, nor was the immediate outlook particularly encouraging. However, the changes in Central and Eastern Europe would ultimately contribute to the recovery of growth, both in those countries and in the rest of the world economy. The necessary adjustments entailed considerable sacrifices by the populations of these countries and developing countries carrying out reforms, and it was vital that this not become a factor of political destabilization. For these countries, as well as for the developing countries it was necessary to take into account the growing differentiation among them when addressing development issues at UNCTAD VIII.

743. Since UNCTAD VII there had actually been an increase in the numbers of people living in poverty. This had repercussions not only at the human level, but also in terms of political stability and preservation of the environment. This situation was evidently linked to the population explosion and so the Conference needed to draw the appropriate policy conclusions. As countries were responsible for their own development, foreign aid could be helpful only if it supported policies permitting the full development of a market economy and a more active participation of the people themselves in the development process. "Good governance" required that the role of the State be recast so as to ensure macroeconomic stability. It was necessary to provide essential public services such as education and health and to foster a climate in which the private sector could flourish and social inequalities would diminish; savings and investment would be encouraged along with competition and outward orientation, including greater regional cooperation and integration; where corruption would be banished; and respect for human rights, including those of minority groups, would be guaranteed.

744. As international trade was a vital factor in the development process, the industrialized countries had an obligation to ensure access to their markets by developing countries. In this respect, it was to be noted that the European Community was far from being the "Fortress Europe" which it was claimed to be in some quarters: the Community imported more from the developing countries than did the United States and Japan combined and it was the world's largest importer of agricultural products. The Community had also been the first to apply the GSP, following its adoption at UNCTAD II. It was proposing in the Uruguay Round the reduction or elimination of tariffs on tropical products worth 4,000 million ECUs and covering 220 tariff lines, as well as a one-third reduction in all its tariffs. It subscribed to strengthened multilateralism as the best way to ensure the development of all.

745. The Community's cooperation policy took into account the great diversity of developing countries. It made funds available for structural adjustment programmes following a thorough-going dialogue on the policies to be applied. It assisted regional integration as well as environmental preservation efforts and focused on decentralized cooperation to ensure both participatory development and the consolidation of the basis for real democracy. It also

placed emphasis on direct investment, so necessary for both ensuring technology transfer and avoiding the further accumulation of debt. The Community sought especially to broaden the economic bases of cooperation to include political ones as well. ODA remained an important component of the Community's cooperation efforts: in 1990 the Community and its members had given $26,500 million in ODA, as compared to $19,000 million for the United States and Japan combined; and the funds for Lomé IV had increased by 26 per cent in real terms over Lomé III.

746. The Community believed that among the most important issues for UNCTAD VIII was the fact that degradation of the local environment in the developing countries was a result of socio-economic factors. There was also a need to take a fresh look at the problems of commodity markets; certainly, diversification was as yet insufficiently developed. Given the need for resources for development, it was to be noted that the internal mobilization of resources was considerably lower than it could be in many developing countries, particularly those in the middle-income range. As regards assistance to the least-developed countries, the Community urged all members of the international community, and not just the OECD, to make generous and firm commitments. It was indeed generally true that, while the 0.7 per cent target for ODA was to firmly be reiterated, the burden of development assistance needed to be better distributed across industrialized, newly-industrialized and oil-exporting countries.

747. UNCTAD needed to undergo serious self-examination. Before turning to the details of the work programme, the Conference should seriously debate the future role of the organization. In the Community's view, UNCTAD could become a forum where analysis of, and dialogue on, the problems of economic development came first. This would help UNCTAD to recover its role as the source of imagination and creativity in the United Nations system.

748. The representative of the Common Fund for Commodities, referring to the special relationship between UNCTAD and the Common Fund, said that the organization was a creation of UNCTAD and had been conceived within the context of the North-South dialogue for which UNCTAD was the primary focal point.

749. During the decade that followed the conclusion of the Negotiating Conference on the Common Fund, a crisis of unprecedented dimensions had prevailed in world commodity markets. Real prices of many commodities had dropped to their lowest levels since the great depression of the 1930s. Nor were prospects for any sustained recovery during the 1990s encouraging. There was an obvious need to devise more realistic and imaginative approaches to the finding of both short- and long-term solutions to commodity problems. In this respect the Common Fund held an important place in international development in the commodities sector and could make a worthwhile contribution to the amelioration of the situation.

750. The Fund had been established to support, through its First Account, the financing of buffer-stocking arrangements undertaken by international commodity organizations and aimed at stabilizing the price of their respective commodities at levels which would be remunerative to producers but equitable

for consumers. The Fund was likewise expected to finance, through its Second Account, commodity development measures proposed by international commodity bodies. However, two years after coming into effect, the First Account's objectives and purposes had yet to be tested. The collapse of many price stabilization agreements and arrangements during the 1980s left few customers to take advantage of the availability of the Common Fund's First Account facility. Currently only one international commodity organization had buffer-stocking arrangements, namely the International Natural Rubber Organization. The absence of buffer-stocking arrangements had limited considerably the range of commodities for which the resources of the First Account could be used to make an effective contribution to price stabilization of ultimate benefit to both producers and consumers. It was to be hoped that the Conference would now give fresh impetus to international cooperation on commodity issues with a view to concluding arrangements which would make optimal use of the resources of the First Account. While one should keep an open mind about new ideas, it was premature to look for alternative uses for the resources of the First Account. Price stabilization arrangements, when well-conceived and managed, could achieve the purposes for which they were intended and thus benefit producers and consumers.

751. The Second Account of the Common Fund had entered its operational stage; project financing had already been embarked upon. Loans and grants were being provided for the financing of measures for commodity development, aimed at improving structural conditions in markets and at enhancing the long-term competitiveness and prospects for particular commodities. One of the unique features of the Common Fund was that it financed projects sponsored by International Commodity Bodies (ICBs), which were commodity-focused rather than country-focused. The benefits of such an approach accrued to several countries producers of the commodities concerned as compared to country-focused projects where the benefits generally accrued to one country only. In considering project proposals, prominence was also given to the potential environmental impact of projects proposed for Common Fund financing.

752. The Fund's aim was to assist producer developing countries, in particular the least developed among them, as well as the small producers/exporters. The majority of the countries concerned still remained largely dependent on the export of primary commodities for earnings to pay for the importation of basic necessities and for financing their development efforts. They could not be expected to move away from commodity-dependency in a short span of time. An important element referred to in the Agreement Establishing the Common Fund for Commodities related to "vertical diversification" or local processing of raw materials, to gain value-added input. The Common Fund for Commodities had the institutional framework for financing diversification activities and was equipped to perform such a task. Additional resources through, inter alia, voluntary contributions to its Second Account, so as to enhance its capabilities in this regard, would be welcomed. The Common Fund could play a catalytic role with respect to world commodity issues and should be strengthened to deal with short- and long-term development strategies for the various commodities. States not yet members of the Common Fund were invited to join in the effort to strengthen and revitalize international commodity cooperation.

753. The representative of the Commonwealth Secretariat said the global environment was becoming more propitious for promoting international cooperation for development and urged that UNCTAD VIII take advantage of this opportunity to agree on a set of measures to secure a healthy and equitable world economy. He drew attention to a recent Commonwealth Expert Group report entitled "Change for the Better: Global Change and Economic Development". As its findings were germane to the Conference, he had arranged for copies of the report to be circulated to delegations. The report addressed some long-standing issues such as the debt problem and other more recent ones such as the growing concern about environmental degradation, cross-border migration, international terrorism, drug trafficking and AIDS. Reduction in military expenditures, the spread of the democratic process, and new orientations in domestic economic policies could improve development prospects.

754. Developing countries were affected by movements in the availability and terms of official development assistance and of private capital flows, reduced market access and technological change. International institutions established after the Second World War had not fully kept pace with changes and major developed countries increasingly sought to address global problems in restricted forums.

755. The Commonwealth Group recommended that the developing countries should strive to promote good governance, improve the climate for domestic and foreign investment, cut military expenditure, develop human resources, pursue effective population policies, and adopt environmentally sustainable policies for development. Industrialized countries should adhere strictly to multilateralism in trade policy, ensure that aid to new claimants does not adversely affect assistance to the developing countries, earmark a part of the peace dividend for development, implement more effective measures for debt relief, and take immediate action to conserve the environment. They should also give due consideration to the effects of their policies on developing countries. The international community should continue to seek systems of global security, bring the GATT Uruguay Round to a speedy and successful conclusion, strengthen international compensatory financial arrangements, design structural adjustment programmes that promote sustainable economic growth and poverty alleviation, pay special attention to the financial and other needs of small States, and take coordinated action to achieve environmental conservation and sustainable development.

756. In the context of growing mutuality of interest among nations, a new approach to international economic cooperation was needed. The United Nations should be revitalized. UNCTAD should be adapted to the new realities of the 1990s so that it could effectively play a coordinating role in the United Nations system's efforts to promote trade and development. Good management in the international sphere was a vital prerequisite for promoting an efficient and equitable global system. Early attention should be paid at the highest political level to reaching agreement on a new approach to promoting international economic cooperation for development.

757. The representative of Portugal, speaking on behalf of the European Community and its member States, said that the Conference was being held in a world situation of extreme complexity, marked by far-reaching political upheavals which were giving rise not only to immense hopes but also to

anxieties. In an increasingly interdependent world, the question arose of how to make an effective contribution to improving people's living conditions. The Community and its member States pursued partnership aimed at ensuring generalized respect for human rights, harmonious development on a world level and protection of the environment. Fears had been expressed that the Community's actions reflecting its particular interest in Central and Eastern Europe might be to the detriment of measures to help developing countries; those fears were unfounded, as these actions were additional in nature.

758. Attention at present was rightly focused on the completion of the Uruguay Round negotiations, whose early conclusion was one of the Community's main priorities. Agriculture, textiles, market access, rules and disciplines, intellectual property and services constituted the fundamental pillars of this final stage in the negotiations, and in these areas it would be necessary to find an overall balance of mutual advantage for all participants, taking into account in particular the interests of developing countries.

759. The deterioration of the environment was a global problem which constituted a real constraint on healthy economic growth and compromised the prospects for sustainable development in the future. An effective improvement in environmental protection required appropriate measures in all countries and international cooperation, since the problems were interdependent and complementary, although industrialized countries had to take the lead.

760. The major development challenges could be met only if developing and developed countries were to set up a true partnership based on solidarity, the recognition of mutual interests and the sharing of responsibilities. Whilst developing countries bore the primary responsibility for their own development, developed countries needed to continue to give them adequate support, whilst accepting their own responsibility for promoting a favourable economic environment.

761. UNCTAD VIII should aim to strengthen national and international action and multilateral cooperation and define guidelines for policies and measures which would help to ensure sustainable growth and development in all developing countries, for UNCTAD was an important platform for constructive dialogue between industrialized and developing countries. UNCTAD VIII provided an opportunity for an efficiency-oriented adjustment of UNCTAD's role, priorities and institutional mechanisms, bearing in mind recent changes in the international political and economic environment and the climate of dialogue between developed and developing countries. Institutional reform was required if UNCTAD was going to play a reinvigorated role. The reform needed to be considered in the context of the restructuring of the United Nations in the economic and social fields on one side, and the possible transformation of GATT into a multilateral trade organization on the other. The roles of UNCTAD and GATT had to remain complementary.

762. UNCTAD's activities should in future be more fully focused on development issues, whether at a national, regional or international level. Domestic development policies should be a major theme, and the evolving concept of development, sustainable development, the interrelationship between economic performance, human rights and political systems, equity and market-oriented reforms should be integrated more fully into UNCTAD's activities.

763. Greater selectivity was required in carrying forward the negotiating function. Working methods needed more flexibility, particularly as regards the working of the group system, the outcome of meetings, participation of outside experts and the organization of debates. The structure of UNCTAD intergovernmental meetings also required improvement. UNCTAD would thus operate more like the OECD, bearing in mind the differences between the two. A strong analytical input, exchange of experiences, better-focused meetings and a patient search for real compromise should be important features of UNCTAD's work.

764. The European Community and its member States believed that good governance was a fundamental issue and that Governments should redirect their actions in order to provide a stable economic environment and basic public goods, so as to support expansion of the private sector in competitive markets. Human rights and democracy formed part of a larger set of requirements for achieving balanced and sustainable development. Alleviation of poverty and a more equitable income distribution also had to be primary concerns. The efforts of all countries to combat corruption needed to be increased, as corruption diverted resources from productive uses and thus undermined the development process. The fight against drug production, trafficking, consumption and money laundering also required reinforcement.

765. More savings were needed to meet the increase in the world's investment needs, both in developed and developing countries. Official development finance would continue to play an important role for lower-income countries, and substantial additional aid efforts would be required, both quantitatively and qualitatively. Aid donors had reaffirmed their commitment to the target of 0.7 per cent of GNP for ODA and commitments undertaken at the second United Nations Conference on the Least Developed Countries. Greater reliance must be placed on such non-debt-creating financial flows as direct foreign investment. Both developed and developing countries needed to consider the possibilities that existed for the reduction of military expenditures, and for channelling the savings towards socially productive uses, including development finance.

766. The European Community and its member States reaffirmed their support for the international debt strategy based on growth-oriented adjustment policies of highly indebted developing countries, financial support by the international public and private community, and a favourable international economic and trading environment. Specific measures had to reflect the particular circumstances and needs of each highly indebted developing country and should continue as appropriate and on a case-by-case basis to include such elements as new money flows, debt-service restructuring and debt reduction. The poorest, most indebted countries needed particular concessional terms involving extensive debt reduction in support of sound economic programmes.

767. The European Community acknowledged the problems faced by many commodity producers who had experienced a dramatic reduction in their export earnings as a result of structural imbalances between supply and demand. The remedies were considered to be reduced dependence on individual commodities through diversification and working towards greater cost-effectiveness and productivity.

768. The representative of the International Olive Oil Council (IOOC) said that the International Olive Oil Agreement did not contain economic measures. Nevertheless, for 33 years it had provided assistance to its members, especially developing countries, in finding solutions to the problems of the olive oil sector. This aid took the form of training of officials, transfer of technology and action to improve productivity in the sector. Unfortunately these activities were limited because of the meagre finances of the IOOC. Its most important member, the European Community, had provided extrabudgetary resources which helped in carrying out important activities. Important support also came from other countries such as Spain, where the IOOC had its headquarters. Relations had in addition been established with the Common Fund for Commodities, and it was expected that concrete financial support would be forthcoming from the Second Account.

769. The IOOC contributed to the stability of world prices and to the achievement of an equitable income for producers and an acceptable price for consumers. This required maintaining equilibrium between supply and demand, and in this regard the IOOC was in a position to contribute by facilitating international exchange of information. For social and ecological reasons, there were no prospects of diversification in the olive oil sector.

770. It was important that developed countries acknowledge that problems in developing countries had important repercussions on the international community as a whole. In that connection, the IOOC considered that UNCTAD had a very important role to play as a catalyst in international economic and commercial cooperation. The support of UNCTAD was an indispensable element in the functioning of all international commodity agreements.

771. The representative of the International Sugar Organization (ISO) said that the difficulties faced by his organization derived from the shift away from a Keynsian managed market economy towards deregulated free markets. The concept of stabilization, which was the guiding principle behind international commodity agreements, was at odds with this change of emphasis. Sugar was more affected than other commodities because of the complicated and diverse nature of production and trade in sugar and the large number of countries engaged in that trade. The economic and political background of the 1980s meant that after the lapse of the 1977 International Sugar Agreement (ISA) in 1984, economic clauses had been effectively off the agenda.

772. The 1984 administrative ISA had been hastily put together in the last week of the abortive 1984 negotiations for an economic agreement. In the 1987 ISA, some attempt had been made to refocus the activities of the ISO through the formation of the Market Evaluation, Consumption and Statistics Committee (MECAS) to improve the understanding, through analysis and debate, of how the sugar market worked. The goal was to make a contribution to more rational decision-making through information and to improve the conditions for stability. The ISA's financial difficulties had been aggravated by losses in membership and late payment or non-payment of contributions. Coupled with the difficulties faced by the developing countries in the 1980s, those financial factors had led to a strong desire by all members to reduce costs. He appealed to all members of the ISA which had an interest in sugar to participate actively in the upcoming negotiations for a new agreement.

773. The representative of the International Tropical Timber Organization (ITTO) said that few countries had appreciated the full implications of ITTO when it had been created by UNCTAD. In establishing the International Timber Agreement in 1983, the United Nations had, in fact, also established the first global convention relating to tropical forests. This convention could constitute a model for negotiations on institutional changes or legal instruments for all forests.

774. The full potential of ITTO was now being fully brought to bear on some of the pressing problems of tropical forests, in accordance with its environment-related mandate. The organization's secretariat was critically understaffed, however, which put constraints on its working capacity, particularly in light of the increasingly urgent need to combat deforestation and global warming. Strengthening ITTO had been underscored in the Summit Declarations of the Group of Seven since 1989 as well as in the Ministerial Declaration of the Second World Climate Conference, in November 1990.

775. Although conceived as a commodity organization, ITTO, through its Permanent Committee on Reforestation and Forest Management, had been able to deal with priority problems related to tropical forests. About 70 per cent of the project funding in the first four years of its active existence had been spent on tropical reforestation and forest management. The fundamental philosophy of ITTO was to achieve a balance between conservation and utilization.

776. ITTO member countries had taken steps towards assuring sustainable development, taking into account the need for convergence of conservation and development. ITTO had clarified the elements of sustainable management and had organized technical working groups and seminars. Wherever possible, the norm of sustainability had been built into projects initiated or sponsored by ITTO, particularly in the area of reforestation and development. ITTO had also organized an initial general survey of forest management in all producing member countries and begun to assess the sustainability of forest management in individual countries. Moreover, ITTO had unanimously decided to expedite global transition to sustainability. This decision was of utmost significance to both producers and consumers of tropical timber as it implied that all tropical timber exports would be from forests under sustainable management by the year 2000. It was essential that corresponding financial and other assistance from the consuming industrial countries be provided to assist producers in meeting the enormous costs of reaching sustainable development.

777. Today the sense of urgency to establish fundamental principles for a global convention on forests was much stronger than at the time when the International Tropical Timber Agreement (ITTA) had been negotiated. During the coming four months, the process leading to the United Nations Conference on Environment and Development would attract even more attention to the problems of the world's forests. This would undoubtedly lead to more concerted international action.

778. Preparations for a successor agreement to the ITTA were currently under way, and UNCTAD would assist in the preparatory process and the negotiating conference.

779. The representative of the Latin American Economic System (SELA) recalled the close historical relationship between UNCTAD and SELA and noted that institutional revitalization was the crucial issue of the present session. Political consensus had characterized the early years of UNCTAD's history when significant progress, including the establishment of the General System of Preferences, had been achieved. In the years following 1974, the climate for international economic cooperation had deteriorated. Discussions around the central theme of the New International Economic Order had been confrontational. Following the UNCTAD conference at Belgrade, a spirit of "new realism" had emerged.

780. However, during the 1980s, developed countries were increasingly preoccupied with their internal affairs and, with the exception of the debt problem, developmental concerns had received little attention. Besides debt, several other fundamental problems, such as restricted market access, deteriorating terms of trade and insufficient technology transfer, had adversely affected the growth prospects of developing countries. These problems remained unsolved. It was therefore necessary that UNCTAD VIII embark on a new era of true cooperation. At the same time, it should be mentioned that market forces were no substitute for international cooperation.

781. In the context of the discussions on the institutional reform of UNCTAD, it was necessary to take into account that the eventual establishment of a Multilateral Trade Organization could affect UNCTAD's functions. It was imperative that there should be no duplication but rather complementarity. UNCTAD remained the focal point where the interrelated issues of trade, finance, technology and the promotion of a trading system that took into account development concerns could be addressed. The complementarities between UNCTAD and the proposed new trade organization were therefore evident in the three functions of UNCTAD.

782. Regarding policy and research analysis, UNCTAD had a unique mandate to provide a global forum. Technical assistance remained an important function of UNCTAD. Regarding the negotiation function, there was a need to be more selective. The revitalization of UNCTAD needed also to include its intergovernmental machinery, in line with the general restructuring of the United Nations economic sector. It was also necessary to conceive mechanisms and structures to construct concrete complementarities between UNCTAD and GATT, taking into account the outcome of the Uruguay Round, and the Bretton Woods institutions.

783. UNCTAD had a unique role to play in fostering developing countries' integration into the global economy and the role of the present conference was to stimulate the corresponding actions. UNCTAD needed to continue to address the debt problem, issues related to financial flows to developing countries, foreign direct investment flows and the promotion of economic and social development.

784. UNCTAD VIII offered an opportunity to achieve consensus on various issues relevant to development. In this context, the Conference could, inter alia, propose to the General Assembly that a conference on the financing of development be convened, in accordance with the initiative taken by the Secretary-General of the United Nations.

785. The representative of the Organisation for Economic Cooperation and Development (OECD) said that the fundamental changes the world had seen in recent years opened up new perspectives of progress for humanity but also certain risks. They created increased responsibilities for both political authorities and economic actors. The end of the cold war placed the Eastern European countries in a process of transition which was both promising and painful. It created for the countries of the West both the opportunity and obligation to cooperate generously.

786. The definition and enforcement of a new world order would not be easy. Aspirations to identity - national, ethnic, cultural, religious - which had been repressed for too long were expressing themselves strongly and even violently. Care needed to be taken that the affirmation of these distinct identities did not develop into nationalistic confrontations.

787. The end of the East-West confrontation was only the most visible manifestation of a deeper and more general change, namely the progressive emergence of a consensus on the mechanisms and the conditions for economic development and social progress. The experience of the last three decades had convinced those in politics and economics that the most effective recipe for development was a combination of market economy, pluralistic democracy and respect for human rights. Such had long been the common creed of OECD countries.

788. The process of globalization, the transformation of the world into a "global village", had done much for the emergence of this consensus. The resulting strong competition among economic agents, and also among countries, benefited consumers worldwide. However, it was also the cause of continual and often painful adjustment of economic structures. It was important to assess well the scale and the difficulty of these adjustments. All countries were experiencing them, whatever their level of development. If these difficulties were ignored, there would be reversals, which would carry with them protectionism, isolationism, and inward-lookingness, and would imperil both multilateral trade and the consensus on the recipe for development.

789. The countries of the OECD had a primary responsibility as a source of world economic growth. It would thus be more than odd if, just when many countries were adopting - often with surprising boldness and striking results - the policies which had led to the success of the OECD countries, the OECD countries themselves were to be less diligent in applying them. His assessment was that the OECD countries would prove able to meet the warranted expectations of their partners in the rest of the world. Although official development assistance was still important for the poorest countries, it was through the growth of trade of all kinds and through investment that growth would diffuse from the most advanced countries. Among the actors in the front economic rank could be included a number of countries in Asia, Latin America and Africa.

790. For their part, the developing countries and those in transition towards a market economy had to draw the practical consequences from past experience. Capital would be invested only in those countries where the rules of the economic game were clear, just, and effectively enforced. Without these conditions, it was pointless to hope for assistance from abroad and impossible to realize domestic economic potential.

791. He stressed that the classification of countries as developing, in transition, or developed, had lost its meaning. However, it must not be forgotten that the gaps remained enormous. The first and most important responsibility for the development of a country rested indeed in its own hands, but this should not be used as an excuse by the most developed countries to pay no attention to other countries.

792. The purpose of international cooperation, for which UNCTAD was so important, was to remind everyone of their obligations and the role that they could - and consequently should - jointly play in the world economy. For its part, the OECD would continue to make its contribution through collective reflection and mutual persuasion, with which it was associating a growing number of non-member countries.

E. Non-governmental organizations

793. The representative of the International Chamber of Commerce (ICC) said that the main challenge for ICC was how to help local enterprises become more productive. Around the world a new political climate more favourable to private enterprise was emerging. National and local bodies representing the business community could make a substantial contribution to development by providing support, information and guidance. They could also help in research and marketing, and, in particular, serve as a partner for government in the design and implementation of economic, trade and social policies. ICC was collaborating with the UNCTAD/GATT International Trade Centre in a programme to strengthen chambers of commerce in developing countries. Training of staff and mounting seminars to encourage them to take a more active role in export promotion were ways in which this was being done.

794. On the policy front, the work of ICC was aimed at a better integration of the developing countries into international trade and investment. The business community had lent strong support to the Uruguay Round, but was presently deeply concerned that Governments had still not been able to bring it to a successful conclusion. The Round offered real hope of curbing the creeping protectionism of recent years, and could contribute substantially to an expansion of world trade and growth.

795. It was imperative that tariff and non-tariff barriers to exports of tropical and natural resource-based products be reduced. Developing countries would also benefit considerably from a substantive agreement on agriculture so as to bring national trade practices under effective multilateral control. Trade barriers which impeded the exports of manufactured goods from developing countries must be dismantled, in particular in the area of textiles and clothing. Raising the ability of developing countries to attract foreign direct investment was especially important because this form of external capital brought with it technology as well as management and marketing skills.

796. ICC had recently launched its own Business Charter for Sustainable Development. There was no inherent conflict between economic growth and environmental protection; on the contrary, they could be and must be made compatible, self-reinforcing objectives. Regulations and measures to protect the environment should be designed in such a manner as to minimize distortions in international trade and investment flows and thus avert the creation of trade barriers.

797. While natural endowments were clearly important, they were not sufficient for successful development; nor was a high level of investment enough per se. Experience had shown that what was crucial to successful development was the human factor. Moreover, the quality of a country's human capital implied much more than high levels of formal education, vocational skills and training facilities. The essential element was entrepreneurial initiative. The post-war history of eastern Europe had demonstrated that even the best-educated work-force remained unproductive if their activities were organized according to bureaucratic rather than entrepreneurial principles.

798. While the past decade had been marked by stagnant or falling living standards in the wake of the debt crisis, it had also seen the rise of strong consensus that the true sources of rapid economic growth and development were private enterprise and respect for markets in the allocation of economic resources. However, structural adjustment and liberalization would be successful only if the industrialized countries opened their markets to developing country exports.

799. The representative of the International Coalition for Development Action (ICDA) said that the rules of the proclaimed new partnership for development had in reality been decided on by the industrialized countries. Access by developing countries to the markets of the industrialized countries continued to be obstructed; many least developed countries had opened their markets without receiving reciprocity; technology was not being transferred from the North as necessary; the amount of debt reduction was insufficient; policies for the commodity sector did not offer any hope for the poorer commodity-dependent countries; targets for development assistance had been attained only by a few countries; the net transfers of resources from the South to the North continued and ODA flows were insufficient to compensate for the loss of revenues due to worsening terms of trade and protectionism.

800. A new partnership required the creation of optimal conditions for democracy, popular participation, observance of human rights, measures to eliminate poverty and corruption, and the reduction of military expenditure. Moreover, the international trading system had to be improved in order to meet the specific needs of developing countries, especially the least developed countries.

801. UNCTAD should make a significant contribution to the United Nations Conference on Environment and Development and its follow-up. Not only should it explore new solutions for achieving sustainable development, but also it should be given a role in monitoring and evaluating the interrelationships among non-economic issues of popular participation, culture, human resources, and the central role of women in development, elements often considered the "software" of the macroeconomy whereas they were actually the "hardware" or core of development.

802. The non-governmental organizations were indispensable to the monitoring analysis, input of experiences and alternatives, advocacy, and information dissemination on macroeconomic development issues. However, UNCTAD's current rules for NGO participation made it difficult for them to fulfil this role, in particular because NGOs were excluded from the decision-making process. It was essential that the non-governmental organization be involved in a balanced manner, in order to have input from all actors in development.

803. It was important that real commitments to reform UNCTAD and the international system be made at the Conference, taking into account the fact that the "new partnership" could at best be cooperation among unequal partners.

804. The representative of the International Confederation of Free Trade Unions (ICFTU) said that the great contrast between the very positive views expressed by world leaders regarding policy cooperation and their failure to implement economic cooperation measures to improve the prospects for growth and development was ICFTU's major preoccupation. Democracy had made progress in virtually every region, but this progress could be lost if the new democracies were not supported by programmes to improve economic and social conditions; this required greater world growth and a new impetus for development cooperation.

805. In March 1992, ICFTU would hold its 150th World Congress in Caracas to take decisions on policies to cope with the challenges of the day: development, environmental protection, strengthening democracy and the achievement of adequate and constantly improving living standards. ICFTU believed that Governments needed to create a world order which was durable, stable and democratic. The risks of inaction outweighed the costs of action: hundreds of millions were faced with a daily struggle to survive, and even in the OECD countries absolute poverty had risen during the 1980s. The world economy in 1992 was more or less paralysed and on the verge of a serious recession; world financial markets were unstable and the risk of a downward spiral was omnipresent. This had come about because of the passivity of many Governments which had been persuaded by academics that market forces alone would magically produce a revival. There had been reductions in public spending on vital social services, including health and education, and privatizations which had increased unemployment and resulted in greater social inequality. Labour legislation had been weakened on the grounds that it was necessary to reduce labour costs, and free trade zones had been established in which labour laws were not applied. Thus it was that the liberalization of world trade could in fact lead to the greater exploitation of workers for the benefit of a small elite and of multinational corporations.

806. ICFTU appealed for a different model to solve global economic problems, in which workers' rights would be guaranteed worldwide and adequate funds made available for training, investment in the construction of infrastructure and employment generation programmes; only this would lead to more rapid growth and higher levels of employment. A decline in growth would be an obstacle to prospects everywhere, and rich countries would ignore the poverty of others at their own risk; this could be demonstrated in five words: drugs, environment, migration, epidemics and war. If a large part of the population was unable to find a decent and adequately remunerated job, social tension, criminality and desperation would rise; this had been demonstrated in several countries. ICFTU therefore reiterated its urgent appeal for a coordinated effort to raise economic growth; the United Nations, and UNCTAD in particular, could play an important role in this regard.

807. Unfortunately UNCTAD had sometimes lost sight of these realities and descended into fruitless rhetorical and academic debate. UNCTAD should therefore reorient its attention away from limited macroeconomic considerations towards the more important social problems, in particular the

study of the effect of world trade on social conditions and workers' rights; ICFTU was convinced that such a study would lead to the conclusion that these rights needed to be guaranteed in international trade conventions such as GATT. UNCTAD should also continue work on debt reduction and on the problems of the environment, which required fundamental changes in the functioning of the world economy. It had to be recalled that economic change would be successful only in so far as it was based on consensus; free trade unions, collective negotiation and cooperation, not confrontation, were essential in this respect.

808. The representative of the Women's International League for Peace and Freedom (WILPF) said that it was necessary to seek out the fundamental reasons for the crisis which was affecting the peoples of Latin America. One such was the irrationality of social relations based on individualism, usury and exploitation. Cooperation, development, solidarity with others: none of these would be sincere, just, humane or effective without mutual respect for those peoples who sought an authentic life of their own. On the verge of the twenty-first century, it was disheartening that the technological revolution and advances in the destructive capacity of military armaments had brought the world to the edge of catastrophe.

809. The women of Latin America and the whole world were profoundly concerned that their well-being and social security was yet further limited by the decline in their participation rates in the formal sector and the corresponding increase in those rates in the informal sector. WILPF therefore proposed a five-point plan for peace and freedom which would require that a Latin American regional market be created; that economic openings give priority to alleviating poverty; that social security systems give complete protection; that the social sectors be protected from the forces of privatization and technological transfer; and that the autonomy and self-determination of peoples be respected.

810. UNCTAD's original mandate remained valid. UNCTAD was the sole universal and democratic organ of the United Nations with a focus on sustainable development problems. There were no magic formulae or any unique economic model which could solve the pressing economic and social problems faced by the developing countries. The world was divided into economic blocs which concentrated within themselves the best part of the world's wealth, as well as the principal trade, investment and technology flows. These blocs strengthened protectionist tendencies and gave a privileged place to bilateral relations within them, thus further marginalizing the developing countries in economic, technological, financial and trade terms. There was a great risk of a trade war between these blocs which would have a disastrous effect on the prospects of the developing countries and world peace.

811. UNCTAD VIII was a propitious place to reflect calmly and realistically on the renewal of international cooperation. There was a singular lack of a forum for global analysis of economic policies relating to development. UNCTAD should undertake an objective and democratic examination of the studies and policies on development, finance and trade emanating from the World Bank, IMF, GATT and OECD, and instigate a systematic and critical debate on these matters by the international community, and especially the developing countries.

812. The Conference should begin to define the orientation of the functions and working methods of UNCTAD so that it would serve the needs and interests of development, particularly the spread of social justice and solidarity among all nations. Sterile debates and the negotiation of resolutions that were subsequently disregarded should cease. Clear priorities should be set and UNCTAD should be given the operational capacity necessary for it to accomplish its vital tasks in the service of sustained and equitable development for all.

813. The representative of the World Assembly of Small and Medium Enterprises (WASME) said that WASME was actively engaged in the creation of an environment conducive to a more dynamic growth of small and medium-sized enterprises, particularly in developing countries. WASME attached considerable importance to its association with UNCTAD. Around 95 per cent of business enterprises in the world were small or medium sized. The work of UNCTAD was of the greatest importance for them.

814. Small and medium enterprises were increasingly recognized as essential components of the national economies, not only in developing countries but also in the economies in transition in Central and Eastern Europe, where a strong desire prevailed among young people to become self-employed and start small enterprises. They needed political support and a strengthened institutional infrastructure as well as an inflow of financial and technical resources. Government involvement to enhance competitiveness and productivity should be more promotional than protective and be designed to be phased out over time.

815. Since small and medium enterprises relied heavily on self-financing, Governments played an important role in promoting the establishment of appropriate financial intermediaries which would help to mobilize domestic and international finance. Venture capital companies and development banks could also be significant sources of funding for small and medium enterprises.

816. Multilateral and bilateral donors would have to assign much higher priority in their development assistance to the small and medium enterprise sector. An important strategy for strengthening this sector was enterprise to enterprise cooperation. International agreements to facilitate such cooperation should be enhanced, particularly with respect to South-South cooperation.

817. The small and medium enterprises had been affected by the stagnation in recent years of technology flows to developing countries. There was, therefore, a need for new initiatives to revitalize flows of technology to developing countries and to stimulate technological cooperation. This could be done through, for instance: tax incentives, investment guaranties and concessional credit for transfer of technology. Developing countries should redirect structural adjustment programmes, in order to restore spending on items essential for strengthening the technological capabilities of the small and medium enterprises. This would include basic infrastructure, training, and research and development.

818. The market-oriented reforms and export-oriented growth strategies which were being pursued by most developing countries provided opportunities for them to benefit from fuller integration into the world economy. However, for such policies to yield positive results, market access conditions in the industrialized world had to be vastly improved.

819. The representative of the World Federation of Trade Unions (WFTU) said that millions of jobs depended directly on trade policies and development strategies. WFTU believed that, in the 1990s, the key to progress would lie in international cooperation to build a healthy, secure and equitable world economy. For a long time, the resources wasted on armaments had retarded the development process. WFTU suggested the creation of a "Disarmament for Development Fund" as a mechanism to stimulate this process.

820. Ongoing regional integration efforts should be encouraged. If unions had expressed concern vis-à-vis such efforts, it was not that they opposed them in principle. On the contrary, what worried them was the possibility that such efforts might be inspired by large transnational corporations wishing to operate without being limited by national legislation. WFTU urged UNCTAD VIII to formulate initiatives to tackle regional and subregional integration from a social point of view.

821. WFTU attached great importance to the failure of the United Nations to adopt a Code of Conduct for Transnational Corporations. It was important to use UNCTAD effectively as a forum within which to coordinate policies and make them truly equitable. High priority should be granted to cancellation of the debt of developing countries. The current situation, in which indebted countries were victims of "negative financial flows" from developed countries, was one which the international community should not accept.

822. WFTU called for the end of commercial measures inherited from the cold war, including the blockade of Cuba. Technology should be transferred to developing countries without obstacles or conditions. Expressing its concern that the Uruguay Round might not succeed, WFTU voiced its hope that international institutions as well as national Governments would involve unions more closely when taking up questions of economic and trade policies.

823. The representative of the World Confederation of Labour (WCL) said that the so-called "international economic order" which had emerged over the last few years was one in which the legitimate hopes of the poor were ever further from being realized. Pragmatic and inhuman, this order was characterized by the domination of large transnational corporations seeking only to maximize profits through the shifting of production among dependent economies, in a system which recalled the period of crude colonial mercantilism, but was now identified under the rubric of interdependence and the new international division of labour. Regression from major social improvements in the name of "flexibility" and "mobility" also characterized this new order.

824. Such negative trends stemmed from the rapid generalization of the neo-liberal monetarist model and its legitimation of economic Darwinism and savage capitalism, following the recent geopolitical changes. The introduction of this model into developing countries had been accomplished as a consequence of the so-called debt crisis. WCL considered this debt of the third world to

be illegitimate and it was currently denouncing it before the International Court of Justice in The Hague since in no case was it the responsibility of the workers of the indebted countries.

825. Relying on superficial analyses, the IMF had been imposing the neo-liberal monetarist model on the developing world, at enormous social cost. Market signals were now the supreme arbiter. Structural adjustment programmes were focused on only a few strategic sectors, via "industrial reconversion", so as to force the affected economies into the transnational production process (called "outward orientation" by its proponents), thus reinforcing the very concentration of economic power which was at the origin of social disequilibrium. The unemployment caused by this industrial conversion process, and also by the privatization process which formed part of the structural adjustment model, had massively increased the informal sector, labour migration and the zones of poverty and misery surrounding the large cities of the developing world.

826. The effects of the imposition of the neo-liberal monetarist model on the quality of life in the developing countries must be studied in depth. UNCTAD had an important role to play in formulating norms for adequate development-oriented policies, and in harmonizing policies which would lead to real social, economic and human development. This required the fuller participation of non-governmental organizations in UNCTAD processes. It was necessary to address the question of who paid for the new economic policies being adopted and who benefited from them. Finally, it was considered regrettable that Colombia had adopted the very economic model which WCL had rejected.

F. Statements made at the 238th plenary meeting, on 24 February 1992, in exercise of the right of reply

827. The representative of the United States of America, referring to the statement made during the general debate by the representative of Iraq, said that it was unfortunate that the representative of Iraq had chosen this forum, which was supposed to be devoted to serious issues of economic development, to indulge in political diatribes. But now that he had done so, it was necessary to correct the record. The circumstances of Iraq's unprovoked aggression were well known. Perhaps less widely known was the suffering that Saddam Hussein had inflicted upon his own people, and the compassionate response of the international community to the humanitarian situation inside his country. These were the facts:

- Medicine had never been denied to the Iraqi people;

- Food imports had been permitted by the United Nations since March 1991 under a liberal "notification only" policy. To date, the United Nations had received notification of many millions of metric tons of food delivered to Iraq;

- The United Nations Security Council, concerned about humanitarian needs in Iraq, had adopted Security Council resolutions 706 and 712, establishing a mechanism to permit Iraqi oil sales that would ensure additional imports of food, medicine, and other humanitarian supplies.

In order to generate pressure for the removal of economic sanctions, Saddam Hussein had cynically refused to use this mechanism which would bring relief to the Iraqi people;

- The United Nations had continued to coordinate humanitarian relief, despite the Iraqi Government's total disregard for its own citizenry;

- The United Nations economic sanctions on Iraq remained in force because Iraq had manifestly failed to comply with the obligations imposed by Security Council resolution 687 and subsequent resolutions. The Security Council, on 27 January 1992, had confirmed that Iraq was continuing its blatant defiance of the will of the international community, and that it continued to thwart the efforts of the international community to restore peace and security in the region so recently threatened by the unprovoked aggression of the Saddam Hussein regime.

The United States delegation hoped that the Conference could now return to the consideration of the development issues that were of concern to all participants.

828. The representative of France observed that, in his statement made during the general debate, the representative of Iraq had complained of the harmful consequences for the Iraqi economy and population caused by the economic embargo imposed on that country since the beginning of the Gulf crisis. In its resolution 706, the Security Council had established the general framework in which Iraq would be able to sell oil or to buy essential goods, subjecting such authorization to a number of conditions which had to be fulfilled by the authorities in Baghdad. The adoption of Security Council resolution 712 had finalized the establishment of the machinery which should make it possible to satisfy the basic needs of the Iraqi population. Thus resolutions 706 and 712 offered Iraq the possibility of obtaining the goods required to cover the basic needs of its people. This being so, the situation in Iraq was ascribable solely to the attitude adopted by that country's Government. He recalled that, at its meeting held on 28 January 1992, the Security Council had deplored the fact that the Government of Iraq had not yet complied with its resolutions, in particular with regard to the obligation to eliminate weapons of mass destruction. This attitude did not allow the sanctions to be lifted.

829. The representative of the United Kingdom of Great Britain and Northern Ireland expressed his delegation's support for the statements made by the United States of America and France. It was unfortunate that the Iraqi delegation had chosen to raise extraneous political issues in this forum, and he wished to rebut the outrageous allegations made in the Iraqi statement. The United Nations had imposed economic sanctions on Iraq in August 1990 in response to Iraq's illegal invasion and occupation of Kuwait. Those sanctions must remain until Iraq had implemented the relevant resolutions of the Security Council. Unfortunately its record so far fell well short of compliance with its obligations. Meanwhile, the Security Council had shown its concern for the civilian population in Iraq. Security Council resolution 712 (1991) would enable Iraq to finance the purchase of humanitarian supplies from oil sales. Five months later, however, Iraq had still not agreed to implement this resolution. There could thus be no doubt

where responsibility for Iraq's economic plight lay. It was the brutal policy of its own regime which had cut Iraq off from the community of nations. The Security Council had set out the requirements for Iraq to meet, if it was to be accepted back in the international community. It only remained for the Iraqi regime to meet them.

830. The representative of Iraq said that the people of his country were still suffering from the lack of medical supplies as well as from a shortage of food and essential goods. Under the guise of international legitimacy, the United States was pursuing a policy of imposing hardship on the Iraqi people.

831. With regard to the statement just made by the representative of the United States, he held that it was completely unacceptable to make reference in this way to the Head of State of another country and to allude to matters that had nothing to do with trade and development. Such references were outside the purview of the issues dealt with by the Conference and were also contrary to the established practices and diplomatic etiquette of conferences.

832. His country supported the spirit of Cartagena and all efforts to alleviate poverty and hunger. The Iraqi people were themselves going hungry. Only 50 per cent of the normal requirement of food rations was available to the Iraqi citizens. Although the United Nations had approved 5 million tons of foodstuffs, the United States Administration, as well as France, was preventing Iraq from making use of these approved supplies by continuing to block Iraqi liquid assets held in United States and French banks.

833. As for Security Council resolutions 706 and 712, his delegation had already explained Iraq's position *vis-à-vis* these resolutions in its statement in the plenary, in which it had emphasized that the problems caused by the sanctions imposed on his country were unprecedented. The assertion by the United States, France and United Kingdom that Iraq had not abided by the terms of the Security Council resolutions was simply not true. Iraq had implemented most of these resolutions and cooperated fully with United Nations missions. The assertion was a mere pretext for putting pressure on Iraq, in an attempt to undermine the country to the point where it would have to accept certain policies against its own will and principles. The Iraqis were a civilized people, and they were determined to live. The embargo should be removed since its continuation constituted a violation of basic human rights and the United Nations Charter, as well as of UNCTAD resolutions.

II. STRENGTHENING NATIONAL AND INTERNATIONAL ACTION AND MULTILATERAL COOPERATION FOR A HEALTHY, SECURE AND EQUITABLE WORLD ECONOMY

EVALUATION OF CHALLENGES AND POTENTIALS PRESENTED BY LONG-TERM STRUCTURAL CHANGES FOR SUSTAINABLE DEVELOPMENT AND EXPANSION OF INTERNATIONAL TRADE IN AN INTERDEPENDENT WORLD ECONOMY. PROMOTING ECONOMIC GROWTH, TECHNOLOGICAL CAPABILITIES AND ACCELERATED DEVELOPMENT IN THE DEVELOPING COUNTRIES: ADOPTION OF SOUND NATIONAL AND INTERNATIONAL POLICIES AND MEASURES, GOOD MANAGEMENT AND STRUCTURAL REFORMS IN BOTH DEVELOPED AND DEVELOPING COUNTRIES TO ACHIEVE THE EFFECTIVE AND EFFICIENT ALLOCATION, USE AND MOBILIZATION OF HUMAN AND ECONOMIC RESOURCES AND A MORE FAVOURABLE INTERNATIONAL ECONOMIC ENVIRONMENT. TOWARDS THIS END, ISSUES IN THE FOLLOWING INTERRELATED AREAS WOULD BE ADDRESSED: RESOURCES FOR DEVELOPMENT; INTERNATIONAL TRADE; TECHNOLOGY; SERVICES; COMMODITIES

(Agenda item 8)

834. Agenda item 8 was considered in plenary in conjunction with the general debate (cf. section I above). 3/

835. At its 222nd plenary meeting, on 10 February 1992, the Conference established a Main Committee to consider and report on the basic negotiating text circulated to the Conference under agenda item 8 ("Substantive preparations for the eighth session of the United Nations Conference on Trade and Development" (TD/L.320 and Add.1-5)). 4/

A. Report of the Main Committee on agenda item 8

836. At the 239th (closing) plenary meeting, on 25 February 1992, the Chairman of the Main Committee made an oral report on the work of the Committee 5/ and presented the draft consolidated text submitted by the Committee on agenda item 8 (TD/L.339 and Corr.1).

Action by the Conference

837. At the same meeting, the Conference adopted the draft consolidated text submitted by the Main Committee (TD/L.339 and Corr.1), under the title "A new partnership for development: the Cartagena Commitment". 6/

B. Draft declaration submitted by the President of the Conference

838. Also at the closing plenary meeting, the President introduced the draft declaration entitled "The Spirit of Cartagena" (TD/L.340/Rev.1), which he had submitted as a result of informal consultations.

839. The representative of Mexico said that his delegation would have preferred to see the declaration entitled "The Spirit of Cartagena" include also the fourth paragraph of the initial document TD/L.340 (of 24 February 1992), which read as follows:

> "Among the fundamental purposes of this new order of things is the strengthening of multilateral actions which are conducive to an integrated world economy and promote international trade, with the involvement of all member States, on a non-discriminatory basis which eschews protectionism and shows due regard for competitiveness. In that context, the participants in the GATT Uruguay Round are strongly urged to ensure the successful conclusion of the negotiations at the earliest possible time."

Action by the Conference

840. At the same meeting, following a brief procedural debate, the Conference adopted the draft declaration entitled "The Spirit of Cartagena" (TD/L.340/Rev.1). 7/

III. SPECIAL MEETING ON THE LEAST DEVELOPED COUNTRIES

(11 February 1992)

A. Convening of the special meeting

841. In accordance with the decision taken by the Conference at its 222nd plenary meeting, on 10 February 1992, a special meeting on the least developed countries was held on 11 February 1992 under the chairmanship of Mr. Alain Vivien, Secretary of State for Foreign Affairs of France. The special meeting was devoted to the consideration of LDC issues, including (i) Review of progress in implementation of the Programme (Trade and Development Board resolution 390 (XXXVII) of March 1991) and (ii) Implications for the Programme of additions to the list of LDCs (General Assembly resolution 46/206).

842. In connection with the special meeting, the following documents were circulated to the Conference:

> "The Programme of Action for the Least Developed Countries for the 1990s" - report by the Secretary-General of UNCTAD (TD/359)
>
> "Communiqué of the Second Ministerial Meeting of the Least Developed Countries, Cartagena de Indias, 10 February 1992" - note by the UNCTAD secretariat (TD/362).

B. Summary of the debate in the special meeting

843. The spokesman for the Least Developed Countries (Bangladesh) expressed appreciation to all member States of UNCTAD for their decision to devote a special meeting of the Conference to the consideration of issues of concern to the LDCs, and also for the comprehensive information on the socio-economic conditions in LDCs which had been provided in *The Least Developed Countries, 1991 Report* and the report of the Secretary-General of UNCTAD to the Conference.

844. The adoption of the Programme of Action in Paris in September 1990 had been based on a global recognition of the urgency of arresting and reversing the serious deterioration in the socio-economic conditions of LDCs which had taken place in the 1980s, despite national and international efforts made within the framework of the SNPA. The Programme of Action was based on two pivotal commitments, namely: (i) appropriate policy reforms by LDCs, which had the primary responsibility for their development, involving economic liberalization, recourse to market mechanisms, and broad-based participatory development; and (ii) provision of adequate resources in support of LDCs' policy reform efforts by their development partners.

845. He briefly recapitulated some of the major specific agreements and commitments undertaken in the Programme of Action and called for their effective, fuller and expedient implementation by all concerned parties.

846. The recent Gulf crisis and natural calamities had brought additional hardship to the LDCs. Bangladesh, for example, had been struck in April 1991 by a cyclonic storm which had caused the loss of over 140,000 lives and damage to property, infrastructure and capital assets. Yet another set of obstacles concerned the special geographical handicaps of land-locked and island least developed countries.

847. The inclusion of Cambodia, Madagascar, the Solomon Islands, Zaire and Zambia in the list of LDCs had increased the number of LDCs to 47 in 1991 and enlarged their combined population by 15 per cent to over 500 million. The capital requirements of the 47 LDCs stood at some 20 per cent higher than originally estimated, and would amount to US$ 43.8 billion (in 1990 prices) by the year 2000. In this context, it was of great concern to the LDCs that average ODA flows to them in 1990 had declined to 0.08 per cent from an average of 0.09 per cent during the decade of the 1980s.

848. In the light of the above-noted developments, he emphasized the following priorities: aid targets should be raised to cover the current agreed level of assistance, as well as additional needs; significant improvements should be made in market access for LDCs and concrete measures taken to accord special treatment to the LDCs in the Uruguay Round of multilateral trade negotiations; care should be taken to ensure that environmental criteria set by donors should not introduce a new form of aid conditionality, especially within the context of the United Nations Conference on Environment and Development; policy actions should be taken by the developed countries to ensure unhindered access of developing countries to critical, high, new and emerging technology.

849. Most LDCs were in the process of promoting democratization and human-centred development. The foremost challenge in efforts to support democracy in LDCs was the activation of sustainable growth and development. In this regard, the supportive measures of the LDCs development partners were critical and thus needed to be augmented.

850. Finally, he stressed that the annual follow-up and monitoring of the implementation of the Programme of Action by the Trade and Development Board, as well as the medium-term review, had acquired greater significance and therefore warranted reaffirmation by the international community.

851. The spokesman for the Group of 77 (Islamic Republic of Iran), said that the Group of 77 attached great importance to the preoccupations of the LDCs. In the Tehran Declaration of the Ministers of the Group of 77, special mention had been made of the urgent need for sustained international assistance to LDCs and in particular for the full and expeditious implementation of the Programme of Action for the LDCs for the 1990s.

852. Substantial efforts had been made by the LDCs, and progress had been achieved by a number of them. However, their development efforts had been undermined by the economic slowdown in the developed world, natural catastrophes in several of the LDCs, and the continuing high burden of external debt. Moreover, there were no evident signs of an increase in the resource flows to the LDCs. Thus, even though a positive outlook was expected as a result of the changing world political and economic climate, as well as

the prospects of the peace dividend, the LDCs' development process remained very fragile and would be destroyed if adequate external aid was not provided to support reforms undertaken by them.

853. In this connection, he recalled the pertinent points highlighted in the substantive platform for international cooperation on the LDCs in the Tehran Final Documents adopted by the Ministers of the Group of 77.

854. First, the developed countries should redouble their efforts to reach the ODA targets of the Programme of Action. These aid targets should be readjusted to take into account the needs of the countries recently added to the list of LDCs.

855. Second, urgent steps needed to be taken to reduce the debt stock and the debt-servicing burden of the LDCs, including: cancellation of LDCs' bilateral official debt by developed countries; alleviating the multilateral debt of LDCs and ensuring that new multilateral financing should be on concessional terms only; helping LDCs with overdue financial obligations to clear their arrears; and providing additional resources to LDCs for financing adjustment programmes and for reducing their commercial debt.

856. Third, in the context of the Uruguay Round of Multilateral Trade Negotiations, the contracting parties to GATT should take special measures aimed at improving LDCs' access to markets, for example: the advanced implementation of MFN concessions on products of particular interest to the LDCs; the elimination of tariff and non-tariff barriers on products; the fullest possible liberalization of trade in textiles; and the improvement of GSP schemes. Furthermore, the TRIPs negotiations should not further constrain the technology-building capacity of developing countries, particularly of the LDCs, which should be exempted from any additional obligations beyond those already undertaken in the existing intellectual property conventions.

857. Fourth, LDCs must be fully supported in their efforts towards diversification and technological progress.

858. The Group of 77 was ready to intensify its support for the LDCs through, inter alia, the revitalization of the existing mechanisms for economic and technical cooperation among developing countries, particularly in the context of the provisions for special treatment for LDCs in the GSTP Agreement.

859. The representative of Ethiopia said that recent developments had paved the way for greater opportunities at the global level, but it was essential that the implementation of the Programme of Action for the LDCs for the 1990s should not be neglected. The LDCs development partners should in particular respect their general commitments as embodied in the Programme of Action, as well as their specific commitments with regard to resources for development, technological support and market access.

860. The LDCs themselves were exerting determined efforts to improve their socio-economic conditions and to implement the Programme of Action. They were implementing structural adjustment programmes, often with painful social and political repercussions.

861. Taking Ethiopia as an example of developing countries undergoing fundamental changes to accelerate development, he underlined the need for international support for such genuine efforts. These vigorous national efforts in the LDCs, adequately supplemented by concrete support from the international community, could bring about a reversal in the deteriorating conditions of the LDCs and accelerate their development.

862. The representative of Liberia recalled that Liberia had just been included in the LDC group. The adverse socio-economic effects of the recent civil war had undermined the economic and social situation of the country, and the Interim Government had endeavoured to strengthen the process of reform already started in order to find a solution to the country's urgent problems.

863. Liberia was deeply concerned that international action for the reduction of the LDCs' debt burden had not been fast enough to allow the LDCs to implement fully their restructuring programmes. The bilateral official debt of LDCs should be cancelled by developed countries, their multilateral debt should be alleviated and new financial contributions should be provided to LDCs to allow them to pursue their structural adjustment and economic recovery efforts. Finally, Liberia urged support from the international community for the Programme of Action for the Least Developed Countries for the 1990s.

864. The representative of Nepal expressed concern about the continuing deterioration in the socio-economic conditions of the LDCs and their increasing marginalization on the world economic scene. This deterioration had occurred despite the adoption of the SNPA for the 1980s and despite the initiation of economic policy reforms by the LDCs to reduce budgetary deficits, minimize balance-of-payments deficits and enhance domestic resource mobilization. Deep-rooted inherent structural constraints had been the main impediments to improvements in the LDCs.

865. The Programme of Action for the LDCs for the 1990s was welcome. It was a comprehensive programme for concerted national and international action to arrest and/or reverse the deterioration in the socio-economic conditions of the LDCs. Concerted international action was warranted, as domestic efforts alone in the LDCs to restore growth and development could not succeed. There should be an upward adjustment of the aid targets established in the Programme of Action to take into account the addition of six more countries to the list of LDCs since 1990. More specifically, donors should endeavour to increase substantially the aggregate level of official development assistance. The democratic Government which had recently been reinstalled in Nepal was pursuing various economic reform measures and poverty alleviation programmes to ameliorate the sufferings of the poor. These present efforts needed to be supplemented by enhanced level of external assistance.

866. Nepal urged bilateral donors, multilateral financial institutions and other commercial institutions to take appropriate measures to reduce the debt stock and the debt-servicing liabilities of LDCs.

867. With regard to external trade, there was an urgent need for developed countries to implement a comprehensive set of policy measures to provide improved market access. Many LDCs were dependent on a narrow range of

commodities, and this dependence should be reduced through product diversification. In this connection, the strengthening of commodity compensatory financing schemes was particularly important.

868. The 16 land-locked LDCs had special geographical problems, and he called for a special programme, with the full participation of UNCTAD to build adequate infrastructural facilities, particularly to facilitate transit transport operations.

869. Finally, Nepal urged the Trade and Development Board to take special care to follow-up and monitor progress in the implementation of the Programme of Action.

870. The representative of Burkina Faso said that the main goal of the Programme of Action for the LDCs for the 1990s agreed upon in Paris was to stop the deterioration of the socio-economic conditions of the LDCs and to help them to achieve sustainable development.

871. The LDCs had made strong efforts to carry out political and economic reforms within the framework of the commitments agreed upon in the Programme of Action. Burkina Faso had taken serious measures in this regard and had started a structural adjustment programme with the cooperation of the IMF and the World Bank.

872. He recalled with concern the major events which had affected international relations since the adoption of the Programme of Action, namely the recent Gulf War and the new situation in Central and Eastern Europe. The Gulf War had contributed to the economic recession of the developed countries and had negatively affected the situation of the developing ones, in particular the LDCs. The new developments in Central and Eastern Europe seemed to polarize the attention of the LDCs development partners, thus increasing the risk of further marginalization of the LDCs.

873. The addition of six countries to the list of LDCs created an imbalance between the objectives of the Programme of Action and the financial means available for their attainment. None the less, the Programme of Action for the 1990s was valid, and development partners were urged to respect fully their commitments undertaken in favour of the LDCs.

874. The representative of the United Republic of Tanzania said that his country attached importance to the use of appropriately crafted information technology for the dissemination of a whole range of vocational skills relevant to the immediate needs of rural sectors.

875. The STABEX scheme of the Lomé Convention needed to be fully internationalized and restructured to take into account the real costs of production and the IMF compensatory financing schemes should cease imposing further indebtedness on commodity-dependent LDCs. This was important because statistics in The Least Developed Countries, 1991 Report showed a loss of development momentum over the past 20 years and a decline in the credit worthiness of the LDCs owing to the accumulation of external debt at a time of declining export income.

876. The LDCs had urgent requirements that must be met in the social sector and basic needs areas. Equally important were needs relating to energy conservation methods, technology and telecommunications.

877. He cautioned that, although the market was the most useful tool for resource management, there was always a limit to what could be achieved exclusively by free enterprise.

878. He expressed his appreciation for the convening of the Special Meeting on LDCs during UNCTAD VIII and also acknowledged the support rendered to LDCs by their development partners.

879. The representative of Bhutan said it was appropriate that the Special Meeting on LDCs was being chaired by France, since France had always been especially concerned with the plight of the LDCs and had provided the necessary leadership in the international community in directing attention and resources to these countries. Bhutan also expressed gratitude to UNCTAD for its pioneering and continuing efforts to analyse the problems of the LDCs and bring them to the attention of the international community.

880. The least developed country status of Bhutan was a passing phase in its socio-economic development. However, raising economic productivity and standards of living required resources and inputs beyond the best efforts of the Bhutanese Government. There was therefore a need for more concerted action by the international community, particularly from the donor community, to enhance its assistance to LDCs.

881. All LDCs should be included in the list of priority or target countries of all donors. Where possible, specific programmes of assistance for LDCs should be set up, as had already been done by multilateral development agencies and in line with the example set by Norway.

882. He acknowledged the concerns of the donor countries with regard to the fact that the absorptive capacity of LDCs was a bottleneck for increased assistance. This problem could be solved by appropiate measures such as stronger institutional development in recipient countries and simplification of and greater flexibility in the disbursement procedures and requirements of the donors.

883. The representative of Sudan said that the new international political and economic developments in Central and Eastern Europe should not lead to a diversion of the development flows to the LDCs already committed in the Programme of Action adopted in Paris in September 1990. In fact, an increase in aid flows to LDCs was called for in view of the rise in the number of LDCs by six countries since 1990.

884. It was a sad reality that most of the LDCs were situated in Africa, with even continued risks of further marginalization of that continent. The LDCs were also vulnerable to non-economic problems such as natural calamities, refugee influxes and displaced populations. The resolution of these acute problems required additional support from the development partners, in order

to set the LDCs on the path of development and economic transformation. Sudan continued to undertake enormous structural adjustment efforts with far-reaching policies adopted recently in order to liberalize fully its economy and to generate an effective process of economic growth and development.

885. Technical assistance for LDCs needed to be increased, especially to achieve the objectives of the Programme of Action for the Least Developed Countries for the 1990s. The support of the international community continued to be of great importance in this direction.

886. Sudan was aware of its responsibility in formulating and implementing its development programmes, within the context of effective national policies. However, the commitments of the international community, as stipulated in the Programme of Action, remained essential as part of the required just and favourable international environment.

887. The representative of Myanmar said that the UNCTAD secretariat's reports relating to the LDCs acknowledged the existence of hope in considering the prospects of the LDCs for the present decade. The deterioration in the economic, social and ecological situation of the LDCs could be reversed if these countries and their development partners increased their efforts in a spirit of solidarity.

888. The LDCs had acknowledged their primary responsibility for their own development and had started to carry out reform measures. Myanmar was making great efforts to change its economic system into a market-oriented one with the emphasis being placed, *inter alia*, on export promotion and diversification and on the adoption of foreign investment laws. As a consequence, the rates of GDP growth and agricultural productivity were increasing at a rapid rate. Important social programmes were also being carried out, including poverty alleviation measures for remote rural areas. The protection of the environment, and especially the sustainable development of forest resources, was another major priority of Myanmar.

889. All these policies were being implemented in the context of the Paris Programme of Action, and development partners should also fulfil the commitments they had undertaken under that programme.

890. The international community should now take into account the addition of five new countries to the list of LDCs. In particular, serious consideration should be given to the proposal to increase current ODA flows by at least 15 per cent and a decision to that effect should be taken during UNCTAD VIII.

891. The external debt burden of the LDCs should be alleviated. Myanmar appreciated the debt-relief initiative of France, from which it had benefited, and urged that similar initiatives be forthcoming from other development partners.

892. A free, open and non-discriminatory international trading system was important. Provisions should be included in the draft Final Act of the Uruguay Round that would reflect the commitments made by the participants in the Punta del Este Declaration to accord special treatment to the LDCs.

893. The representative of Indonesia said that his country was conscious of the extreme plight of the LDCs and thus had strongly welcomed and supported the Paris Declaration and the Programme of Action for the Least Developed Countries for the 1990s.

894. The number of LDCs had grown from 24 to 47 at present. Although some LDCs had achieved steady improvements in their living standards, the weaknesses in their economic, institutional and human capacities continued to persist and consequently hamper economic revitalization. Accordingly, the domestic efforts of LDCs to accelerate growth and development needed to be complemented by support from their development partners in a spirit of genuine solidarity.

895. The successful implementation of the Programme of Action would depend on three important factors. First, there was an urgent need to strengthen partnership between the LDCs, which had the primary responsibility for undertaking growth-oriented policies, and their development partners, which had the responsibility of supporting the efforts of the LDCs. Second, it was important that the natural resources of the LDCs be utilized in an optimal manner through, inter alia, the implementation of macroeconomic policies which were conducive to long-term and sustainable development. Third, there was a need for a supportive external environment and adequate assistance from the international community, in particular in the areas of official development assistance, debt relief and external trade.

896. Indonesia would, as in the past, continue to extend technical assistance under its TCDC programmes for developing countries in general and for the LDCs in particular. It was incumbent upon the international community to make special efforts to ensure the achievement of the objectives embodied in the Programme of Action.

897. The spokesman for the African Group (Algeria) recalled that the objective of the Special Meeting on LDCs was to evaluate the implementation of the Paris Programme of Action for the LDCs for the 1990s in the light of the addition of five new countries to the list of LDCs.

898. UNCTAD was the international community's focal point for the LDCs, and its Least Developed Countries, 1991 Report was appreciated.

899. Within the framework of the Programme of Action, the LDCs had been seriously implementing painful policies of structural adjustment, which had often had dramatic social consequences. At the same time, institutional reforms were being carried out in order to ensure the more effective and democratic participation of the people in the decision-making processes of their society.

900. However, these reform processes were obstructed by such factors as decreasing commodity export revenues and the natural catastrophes which had struck some of the LDCs. The objectives of the Programme of Action could therefore be fulfilled only if the volume of multilateral aid from development partners was modified to take into account the increase of 15 per cent in the LDCs' aggregate population resulting from the addition of five new countries.

901. In this context, he expressed concern regarding the decrease in official aid allocated by developed countries to LDCs from 0.10 per cent of GNP in 1980 to 0.08 per cent in 1990. The problem of the external debt of the LDCs needed to be solved satisfactorily along the lines indicated in The Least Developed Countries, 1991 Report.

902. The role of UNCTAD in the implementation of the Programme of Action had to be strengthened within the framework of the process being undertaken to revive it. The decision to change the Special Programme for LDCs into a Division within UNCTAD represented a step towards the fulfilment of this objective.

903. The spokeswoman for the Nordic countries (Norway) said that the serious plight of the LDCs was a matter of real concern to the international community, as clearly demonstrated in the Paris Declaration and the Programme of Action for the LDCs for the 1990s. This Programme was based on the principles of shared responsibilities and it had some important features, such as the translation of broad principles into concrete measures both at the national and international level; provisions for comprehensive follow-up measures; and reconfirmation of UNCTAD's role as the focal point for the review and appraisal of the Programme of Action. The latter responsibility should continue to be of high priority for UNCTAD.

904. There were a number of areas for follow-up at the national level by LDCs themselves which were vital to the success of the Programme of Action. Present reform efforts had to be continued and in some cases strengthened, particularly through the designing of policies that supported and strengthened the productive sector, including agriculture. Human resources development, notably the participation of women in the development process, had equally to be a priority for the LDCs. Capacity building in science, technology and management were also underlined. Moreover, human development entailed the right of people to enjoy political freedom through broad popular participation in economic, social and political life. Finally, increased efforts were required to restore peaceful conditions in regions subjected to conflicts and internal strife which had impeded development.

905. With respect to the international community's commitment, she urged debt-relief measures and a substantial increase in concessional financial flows to the LDCs. There was strong justification for such action in the continuous increase in the number of LDCs. In this connection, it was to be noted that in 1990 the total Nordic official development assistance to the 47 LDCs equalled 0.36 per cent of the combined GNP of Nordic countries - which, coincidentally, was about the same as the OECD average for all developing countries.

906. She considered that the LDCs were in urgent need of substantial debt-relief measures and it was a welcome sign that the vast majority, in fact all but one, of the creditors in the Paris Club were now prepared to cancel 50 per cent of the payments due to them from LDCs. However, further debt-relief measures in favour of the LDCs were still needed. The Nordic countries were ready to extend effective debt relief of up to 80 per cent to countries which themselves made sustained efforts to solve their economic difficulties.

907. Regarding international trade, there was a need for industrialized countries to commit themselves to the fullest possible removal of trade barriers to LDCs' exports, including further liberalization of their GSP schemes. Improving LDCs' competitiveness in world markets was also essential.

908. Finally, she emphasized that the Nordic countries remained firmly committed to supporting the LDCs in their struggle for accelerated growth and sustainable development.

909. Speaking on behalf of the European Community and its member States, the representative of Portugal stressed that new developments in Europe would not distract the attention of the European Community from its obligations elsewhere, including its commitment to supporting the LDCs.

910. The Paris Conference on LDCs in September 1990 had been a good occasion for the Community to reinforce its partnership with those LDCs which were parties to the Lomé Convention. The European Community and its member States would continue to do their utmost to translate the commitments undertaken during the Conference into concrete action, and the LDCs needed to do the same.

911. Structural adjustment programmes should be pursued, with due attention given to the problem of the dependency of LDCs on commodities, to the need for investment in human resources and to possible social implications. This was the framework within which structural adjustment programmes were being financed under the Lomé Convention.

912. The European Community was determined to support African efforts in human resources development. In this connection, the community stressed good governance and democracy in the LDCs, as these were essential elements for sustainable, human-centred development. In this connection, the European Community Council of Ministers had taken an important step in November 1991 when it had approved a resolution on human rights, democracy and development.

913. The Community appreciated the efforts made by many LDCs towards regional integration and cooperation, particularly for the expansion of intra-regional trade, and in the fields of health education, transport and protection of the environment. The Community as a whole already provided 0.13 per cent of its GNP to the LDCs, and its ongoing efforts should allow it to allocate more than 0.15 per cent before the end of the decade. The allocations under the Lomé Convention also took due account of the needs of LDCs.

914. Regarding monitoring arrangements pertaining to the Programme of Action, the LDCs themselves and donor countries could benefit from the expertise and experience of the UNCTAD secretariat. However, careful monitoring of the Programme of Action needed to take place not only through the mid-term review at the global level in the UNCTAD framework, but also at the local level through UNDP round tables and World Bank consultative groups. The Community would take an active part in this monitoring process.

915. Speaking on behalf of the European Community, the representative of the Commission of the European Communities noted that the Community paid special attention to its relationship with the LDCs, both those countries which had

subscribed to the Lomé Convention and those which had not. The Community was the main commercial partner of many of these countries, and their products entered Community markets on particularly favourable terms.

916. The attainment of the goals established in the Programme of Action for the LDCs depended equally on the support of the industrialized countries and on the implementation of reforms by the LDCs. He reiterated the Community's support for the reforms being undertaken in these countries and affirmed the Community's commitment to providing the LDCs with financial and technical support, including food aid.

917. The LDCs needed to pursue their structural adjustment programmes taking into account that men and women were the main actors of development. Similarly, good management and democracy were essential for sustainable development, and particular importance should be attached to private initiative, better integration of women in the development process and full respect of the ecological equilibrium of the planet. The adoption of courageous demographic policies would reduce environmental pressures, alleviate poverty and allow a better distribution of income.

918. He applauded the LDCs' efforts towards regional integration and cooperation and reiterated the support of the Community for these efforts through development assistance, political dialogue and provision of commercial preferences. He confirmed the need to monitor the implementation of the Programme of Action in the manner indicated earlier by the representative of Portugal on behalf of the European Community and its member States.

919. The representative of China said that the socio-economic situation of LDCs had worsened, and the number of LDCs had actually increased. In an increasingly interdependent world economy, the success of efforts by the LDCs in their economic development depended, to a great extent, on the external environment and on full support by the international community. Therefore, a joint effort by the international community to assist the LDCs was urgently needed.

920. The Programme of Action for the LDCs for the 1990s was crucial to the revitalization of growth and development in the LDCs. UNCTAD should provide substantive inputs to enhance the implementation of the Programme of Action. Moreover, the development partners should take urgent steps towards honouring the commitments they had undertaken in the Programme of Action, in particular regarding financial assistance and debt relief to LDCs.

921. The representative of Switzerland said that his country was deeply concerned by the poor economic situation of the LDCs. In spite of the courageous reforms undertaken by several LDCs, per capita growth in these countries was still negative and per capita food production had decreased.

922. However, positive elements were also emerging in many LDCs such as the democratization of the political process and the liberalization of the economy. Development aid and foreign direct investment in the LDCs were indispensable to underpin these positive developments.

923. Switzerland had allocated more than a quarter of its ODA to the LDCs. It would continue to focus its aid on the LDCs, on the basis of its law on cooperation, which also stipulated that priority be given to the rural areas and to the poorest people. For the last 10 years, all Swiss public aid to the LDCs had been in the form of grants.

924. As regards foreign direct investment in the LDCs, such investment had recently increased in volume, but it was important that this increase should benefit all the LDCs and not be concentrated in only a few.

925. Switzerland was very concerned that the external debt burden of LDCs was still increasing, and therefore strongly committed itself to applying the Trinidad terms to the LDCs. Switzerland had also started a programme which should allow it to absorb more than US$ 1 billion of the private debt of the poorest countries. The first countries to benefit from this programme in 1991 had been Mozambique and Niger.

C. Main points of agreement and proposals submitted by Minister Alain Vivien, Chairman of the Meeting 8/

926. Following the discussion, the Chairman of the Meeting identified the points of agreement which, in his view, appeared to emerge from the statements made. The main points are the following:

(1) First of all, the question of the LDCs has to continue to be a priority topic on the agenda of international meetings. These countries continue to face enormous problems and their chances of success are poor.

(2) We can all take note of the praiseworthy efforts being made by a large number of LDCs to implement policies in accordance with the Programme of Action adopted in Paris: economic liberalization, respect for market mechanisms, privatization, enhanced efficiency and limitation of the public sector. We also take note of the social costs involved in these structural adjustment policies.

(3) Recent political developments in the world are cause for optimism and confirm us in our belief that the recommendations of the Programme of Action are appropriate.

(4) Economic development must focus on people and be aimed at participation by all. This is why democratization can only promote economic development and growth of human resources.

(5) The efforts which many countries are making with a view to greater regional economic integration and South-South cooperation are to be encouraged, for they will bring about economies of scale and help to open up their economies.

(6) The entire international community, i.e. donor countries, as well as international organizations, have to support the LDCs in their development efforts. Accordingly, the aid targets reaffirmed in Paris have to be achieved rapidly, particularly in terms of the percentage of official development assistance, so that the LDCs will have the best possible chances of success.

(7) The increase in the number of LDCs from 42 to 47 also has to be taken into account in targets for assistance to be granted to them not only by donor countries, but also by international development agencies, such as UNDP.

(8) We have taken due note of the nearly unanimous appeal for more imaginative treatment of the question of LDC debt. It obviously has to be dealt with in the appropriate forums, but we must be fully aware of its urgency.

927. In conclusion, the Chairman said that, although a discussion which is obviously still open cannot be closed, he was of the opinion that only combined efforts by the LDCs and their development partners, and respect by them of the commitments they had entered into, would make it possible to achieve genuine and lasting progress.

928. The Chairman then formulated two procedural recommendations:

(1) That studies should be initiated within UNCTAD on the possible repercussions of new developments in the LDCs (increase in number, as well as political and economic changes in what might be called the international environment).

(2) That the participants in the Conference - and, in particular, its President - should be requested to take account of the concerns expressed at the Special Meeting so that they might be included in part in the Final Act (and, possibly, in what will become the Cartagena Declaration).

IV. OTHER BUSINESS

(Agenda item 9)

A. MESSAGE ADDRESSED TO THE SUMMIT FOR THE ECONOMIC ADVANCEMENT OF RURAL WOMEN FROM THE EIGHTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

The United Nations Conference on Trade and Development, now holding its eighth session in Cartagena de Indias, Colombia, expresses its support for and solidarity with the Summit for the Economic Advancement of Rural Women.

The Conference commends the Group of First Ladies who have undertaken the important initiative to organize the Summit for the Economic Advancement of Rural Women, to be held in Geneva on 24 and 25 February 1992.

Recalling resolution 1991/64 adopted by the Economic and Social Council at its second regular session for 1991, the Conference underlines the importance of strengthening the productive role of rural women to promote food security, to alleviate poverty and to accelerate development.

In this context the Conference welcomes the support given to the Summit by Dr. Boutros Boutros-Ghali, Secretary-General of the United Nations, who has stated that the Summit deserves the full attention and backing of decision-makers and the general public.

The Conference also welcomes the contribution made to the Summit preparations by the International Fund for Agricultural Development and by other interested agencies of the United Nations. The Conference reiterates the appeal to all Member States and to appropriate organs, organizations and bodies of the United Nations to contribute to the success of the Summit and to ensure effective follow-up of its recommendations.

B. ACTION TAKEN BY THE CONFERENCE AT ITS EIGHTH SESSION CONCERNING A DRAFT RESOLUTION ENTITLED "ASSISTANCE TO THE PALESTINIAN PEOPLE"

At its 238th plenary meeting, on 24 February 1992, it was agreed, on the proposal of the President, that draft resolution TD/L.337, submitted by the Islamic Republic of Iran on behalf of the States members of the Group of 77 and entitled "Assistance to the Palestinian people", be transmitted to the General Assembly and that UNCTAD assistance to the Palestinian people would be continued in its current form (for the text of the draft resolution, see annex).

Annex

ASSISTANCE TO THE PALESTINIAN PEOPLE

Draft resolution adopted by the Seventh Ministerial Meeting of the Group of 77 and submitted to the Conference by the Islamic Republic of Iran on behalf of the States members of the Group of 77

The United Nations Conference on Trade and Development,

Recalling its resolution 146 (VI) of 2 July 1983, General Assembly resolution 38/79 of 15 December 1983, and its resolution 169 (VII) of 3 August 1987,

Mindful of General Assembly resolution 45/183 of 21 December 1990,

Recognizing the impediments caused by the occupation to the development of the Palestinian national economy, including its domestic and external trade,

Taking into account that Palestine is a member of the Global System of Trade Preferences among Developing Countries,

1. *Calls for* cancellation of all illegitimate duties, fees and other charges levied by the occupying power on Palestinian exports and imports;

2. *Also calls for* the treatment on a transit basis of Palestinian exports and imports passing through neighbouring ports and points of exit and entry;

3. *Further calls for* the granting of trade concessions and concrete preferential measures for Palestinian exports on the basis of Palestinian certificates of origin;

4. *Requests* the Secretary-General of UNCTAD to strengthen UNCTAD's economic unit on Palestine by the addition of one researcher to its present staff;

5. *Requests* UNCTAD to sustain and increase its assistance to the Palestinian people in close cooperation with the Palestine Liberation Organization;

6. *Calls for* giving UNCTAD staff and experts access to occupied Palestinian territory;

7. *Requests* the Secretary-General of UNCTAD to report periodically to the Trade and Development Board on the progress made in the implementation of this resolution.

V. REPORT OF THE MAIN COMMITTEE 9/

929. At the 239th (closing) plenary meeting of the Conference, on 25 February 1992, the Chairman of the Main Committee, H.E. Mr. Werner Richenbaum (Germany), made the following oral report on the work and outcome of the Main Committee:

> "I had the honour to serve as the Chairman of the Main Committee which was established by the Conference at its 222nd plenary meeting on Monday, 10 February 1992. The Committee held its first meeting on Tuesday, 11 February and subsequently held four meetings. It established two Working Groups under the able chairmanship of Ambassador Lloyd Barnett of Jamaica and Mr. Jean-Michel Marlaud of France. In the conduct of its business several subsidiary bodies were established, including a task force, under the chairmanship of Ambassador Bo Henrikson of Sweden, Ambassador Jorge Navarrete of Mexico, Mr. Ahmed Gubratalla of Sudan, Mr. Ernst-August Horig of Germany, and Mr. K.C. Van Kesterdan of the Netherlands.
>
> "The Main Committee considered the text remitted to it by the Conference (TD/L.320 and Add.1-5) and elaborated and concluded the draft consolidated text entitled 'Strengthening national and international action and multilateral cooperation for a healthy, secure and equitable world economy' (TD/L.339 and Corr.1).
>
> "The agreement reached on the text is one of true consensus and common perceptions that genuinely came forth in the debate in the various forums. The seriousness and dedication shown by all to reach, in a spirit of cooperation and mutual understanding, meaningful agreement was evident in our work throughout the days and nights that were spent in elaborating the consolidated text. Of course, final and minor editorial touches are still to be made.
>
> "Before concluding, I wish to express my appreciation to the Vice-Chairman of the Main Committee, Mr. A. Azaiez of Tunisia, and to the Rapporteur Mr. A. Sytchev of Belarus. My thanks go to all those delegations and members of the secretariat who helped me in my task.
>
> "I have now the honour to submit to you for approval and adoption, on the unanimous recommendation of the Main Committee, the draft consolidated text contained in TD/L.339 and Corr.1."

VI. STATEMENTS MADE AT THE 239TH (CLOSING) MEETING OF THE EIGHTH SESSION OF THE CONFERENCE

930. The representative of Portugal, speaking on behalf of the European Community and its member States, said that the recent dramatic political and economic events, at both the national and international levels, and their repercussions on an increasingly interdependent world should provide UNCTAD with a strengthened role in the development dialogue. The European Community and its member States strongly favoured a reinforcement of international cooperation between developed and developing countries, according to their possibilities. The Community was firmly committed to its new partnership for development based on the spirit of solidarity, the consideration of mutual interests and shared responsibilities. It also remained faithful to various commitments undertaken for strengthened partnership, including in respect of official development assistance. Developing countries on their side should carry forward their commitment for an efficient allocation of resources based on sound national policies and they should contribute to an international environment that was conducive to development.

931. In the light of this new partnership for development, the European Community appreciated the emerging consensus on development strategies. He emphasized again the importance of the relationship between democracy and development, and the respect for human rights both as a principle and as one of the essential factors for development. The Community also attached importance to good governance and participatory development, to human resources development, to market-oriented strategies and the strengthening of the private sector, and, last but not least, to sustainable development in order to preserve the global environment.

932. The Community therefore deeply regretted that all these essential notions with regard to development, in particular the mention of democracy and human rights, had been deleted from the text of the Declaration adopted by the Conference. The fact that these notions had been eliminated in response to certain pressures caused the Community to have serious doubts about the future of international cooperation and the success of the results of future work done by UNCTAD. These notions had been accepted by virtually all the delegations and they were mentioned expressly in the text of the Cartagena Commitment.

933. In order to fulfil its functions in the newly emerging world the institutional framework of UNCTAD needed restructuring. The constructive and far-reaching reforms decided upon by the Conference concerning UNCTAD's intergovernmental structure and its methods of work gave hope that UNCTAD would be able to resume an effective role, within the United Nations, in favour of an integrated treatment of development and interrelated issues in key areas, including trade, finance, investment, services and technology, in the interests of all countries, particularly the developing countries. The European Community believed this reform to be essential and considered that it corresponded to the proposals presented by the Community. It believed, moreover, that the reform was achievable within the resources now available to UNCTAD.

934. Turning to the special meeting held during the Conference on the least developed countries and to the final document of this Conference as it related to these countries, he reaffirmed the commitments undertaken in the Programme of Action adopted in Paris in 1990. Furthermore, the Community wanted a rapid and thorough monitoring of its implementation in line with the provisions in the Programme, including studies in UNCTAD on the possible repercussions of recent developments which had been registered at the United Nations with regard to the situation of the LDCs.

935. The Community also wished to appeal strongly for a rapid and balanced conclusion of the Uruguay Round. Furthermore, he underlined the complementarity between UNCTAD and GATT.

936. The Community had noted with interest and sympathy the statement by the Colombian Minister for Foreign Affairs (cf. section I.A above) in which she had drawn attention to the serious situation of the countries that depended on commodities for a major part of their export earnings. Clearly, the commodity issue merited continued thought. It might be worthwhile considering whether the necessary factors were present that would make it advisable to convene a world conference on commodities. The key factor in deciding whether to hold such a conference would be the extent to which the conditions which were indispensable to its successful outcome were at hand.

937. In conclusion, he said that he shared the view expressed by the Minister for Foreign Affairs of Colombia, when she had referred to the spirit of Cartagena de Indias as being a spirit of solidarity, equality, industriousness and love of freedom - a commitment to social justice and an unbounded and wholehearted openness to ideas, cultural influences and the values of excellence. This spirit had guided the work of the Conference and should prevail in the future.

938. The spokesman for the Asian Group (Yugoslavia) expressed his Group's satisfaction with the outcome of the Conference. He was confident that the declaration adopted by the Conference, together with the results achieved under agenda item 8, would contribute to the strengthening of national and international action and multilateral cooperation for a healthy, secure and equitable world economy. To achieve this aim, the Asian Group had been negotiating in the cooperative "spirit of Cartagena" based on realism. His Group had shifted its stance in many important areas and had shown a great deal of flexibility in order to reach a consensus. For its part, the Asian Group would remain committed to the faithful implementation of all the results achieved in Cartagena, and it expected all its partners, especially those who had greater responsibilities to bear, to do the same. The destiny of this new partnership for development would be determined by the political will to translate this commitment into actions. The Conference had established the machinery and the basis for a creative renewal of UNCTAD. Whether this would actually work would be decided by what was now done to make the agreements reached operational. His Group had negotiated in good faith at the Conference, and it expected that, in response, this attitude would meet with the same degree of trust and goodwill when participants began to work within the new machinery so painstakingly evolved in Cartagena.

939. The representative of the Russian Federation said that his delegation was very satisfied with the results of the eighth session of the Conference, and particularly with the spirit of cooperation which had reigned over it. This had enabled the Conference to adopt very important and far-reaching decisions on a broad sphere of questions, including institutional ones. Having examined carefully the final document adopted by the Conference (TD/L.339 and Corr.1), particularly from the point of view of the interdependency of its individual parts, his delegation had come to the conclusion that the document contained a number of inconsistencies in part three and part four. Wishing to avoid differing interpretations of the decisions of the Conference reflected in these parts of the final document, and taking into account their significance for the programme of work of UNCTAD, his delegation felt that the institutional reform should follow the substance of the work, and not the other way round. In the light of this, the Russian delegation joined in the consensus on the final document. In adapting itself to the changing political and economic situation, UNCTAD should incorporate in its programme of work the ideas contained in the final document. In this connection, the wording on the subsidiary bodies of the Board, the Committees and ad hoc working groups, including in relation to topics, should not prejudice or limit the implementation of the decisions taken at UNCTAD VIII on substance or on the work of the secretariat. In participating in the work of UNCTAD, including in the newly created standing committees and working groups, and also in the elaboration of their terms of reference, the Russian Federation would be taking this understanding as its basis.

940. The degree of cooperation at this Conference had seen the birth of what was now being termed the "spirit of Cartagena", which had found expression in the fact that all the decisions taken by the Conference - without exception - had been adopted by consensus, including those on the most complex and delicate questions where earlier general agreement had seemed unthinkable. His delegation considered that the spirit of Cartagena reflected in the political Declaration just adopted was as important a result of the Conference as the adoption of its substantive decisions. It strengthened the hope that these decisions would really come to life.

941. The spokeswoman for the African Group (Algeria) observed that the Conference had just brought its work to a successful conclusion and that the results, without any doubt, marked a qualitatively new phase in the life of UNCTAD. The commitments entered into by the member States in Cartagena were in fact motivated by a concern to turn UNCTAD into a more effective instrument for promoting a coherent, balanced and interdependent world development which was made imperative by the growing interrelatedness of national economies. Africa was firmly convinced that the means for taking up this challenge existed and that it was necessary to work for their mobilization. In this respect, her Group considered that the Conference pointed the way forward. She therefore hoped that, on such vital issues as commodities, trade, finance, technology, debt and support for least developed countries in the 1990s, the decisions taken by the Conference would be implemented.

942. The representative of China observed that the Conference had yielded positive results which could be attributed to the outstanding leadership of the President and to the combined efforts of all delegations. The Spirit of

Cartagena declaration and the final document adopted by the Conference bore witness to the spirit of cooperation and understanding demonstrated by all the participants.

943. As an important intergovernmental organization in the United Nations system for the consideration and negotiation of issues related to international trade and development, UNCTAD played an irreplaceable role in this field. The institutional reform now under way in UNCTAD was an experiment; such reform should contribute to UNCTAD's effective functioning, its efficiency and its revitalization, instead of diverting UNCTAD from its purposes and goals. In the light of the new realities, a restructured UNCTAD should be more capable of meeting the new challenges and it should play a greater role in building a healthy, secure and equitable world economy and, in particular, in revitalizing the economic growth and development of the developing countries. The measures formulated by the Conference for various departments of UNCTAD should be implemented effectively and not remain simply words on paper.

944. The representative of Switzerland said that the Conference had been a great success, in that it had laid the foundations for a fundamental restructuring of UNCTAD. It would now be up to the member countries and the UNCTAD secretariat to translate into reality what had been decided upon by the Conference. If the restructuring of the member countries' collaboration and of the secretariat failed to take place, the work of the Conference would have been futile. His delegation considered that the spirit of Cartagena, which had made such a profound mark on the deliberations of the Conference, must remain a vital force and continue to set its stamp on the destiny of UNCTAD as well as on the future relations among democratic States that showed respect for human rights.

945. The representative of the United States of America stated that her delegation was pleased to join the consensus on the draft final document of UNCTAD VIII (TD/L.339 and Corr.1). It was rare that participants could leave a conference of this nature with a feeling of genuine accomplishment. Through a long, arduous, but rewarding process of negotiation, the Conference had agreed on a key package of institutional reforms and a programme of work that should lead to a revitalized UNCTAD, one that would make a genuine contribution to economic development around the world. In striving for development, one could not neglect the vital contribution that sound national policies, democratic institutions and respect for human rights could make towards this goal.

946. The international community's first experience in striving for real consensus in many years had occurred in Cartagena. Consensus was not easy, but when reached, it provided a foundation on which to build. That foundation had been laid in Cartagena. As the member countries worked with these new procedures, consensus-building should become easier and results more concrete. Her delegation looked forward to reaching a point where what had been achieved could be fully and accurately reflected in the declarations. Accordingly, the member countries could not rest on their laurels. All of their efforts made so far could come to nothing if they did not persevere in following up with the detailed measures necessary to give these reforms practical effect. That was why the next meeting of the Trade and Development Board was of

such critical importance. That meeting must be used to adopt realistic terms of reference for the new and existing bodies that would carry out UNCTAD's mandate.

947. In negotiating a text of this length and complexity, it was perhaps inevitable that there should be a number of misunderstandings and disagreements, particularly during the last frenetic days leading up to adoption. Moreover, the unique constraints imposed on participants had prevented full elimination of key inconsistencies. She was therefore obliged to state, for the record, those elements of the text which created difficulties for her delegation and where a clarification of United States policy was necessary.

(a) In a general way, the procedure that had led to a good overall outcome had not enabled the Conference to reconcile fully the paragraphs in Parts IV and V with the new work programme in Part III. Her delegation had understood that these paragraphs would be deleted from Parts IV and V, and handled entirely in the context of Part III. Retaining them in Parts IV and V in largely unchanged fashion despite the clear substantive difficulties and inconsistencies raised by a number of delegations could add to the difficulty of rationalizing and implementing the fully agreed work programme. In this regard, she cited in particular paragraphs 99, 117, 141, 185 and 223 of the Cartagena Commitment.

(b) Paragraphs 117 and 223 presented a view of UNCTAD's role on debt issues with which the United States could not associate itself. In particular, with respect to paragraph 223, her country could not support UNCTAD's convening a global meeting on commercial debt. A case-by-case approach to debt issues was a fundamental principle of the international debt strategy. The international financial institutions were the appropriate forums for reviewing overall progress under the international debt strategy. The United States' contribution to and support for a case-by-case approach was well known. Moreover, this strategy was continuing to prove its worth.

(c) By the same token, Part III itself contained language that revealed an overly ambitious view of UNCTAD's role in the area of debt, specifically paragraphs 59 and 63. While UNCTAD did have a legitimate and complementary role in analysing debt issues in a development context, she believed it was essential that UNCTAD avoid the promotion of alternative global approaches which could only complicate efforts in the competent forums to pursue a coherent international debt strategy.

(d) On a more general point, she hoped that a reformed UNCTAD would base its work on objective analysis and cooperation, moving away from counter-productive practices of the past and emphasizing areas of real comparative advantage. In areas where other institutions clearly had competence, such as GATT and IMF, that reality must be recognized. Too much time had been spent in pointless debate on UNCTAD called-for "programmes of action" or "international strategies" which were under the legal mandate of other institutions.

(e) In this regard, the draft final act emerging from the Uruguay Round negotiations reflected a long and carefully balanced negotiation. Under this draft agreement, a comprehensive multilateral trade organization would be established, one which incorporated far-reaching institutional reforms, rules on services and intellectual property under the same umbrella. Rather than compete with this development, either through oblique (and sometimes not so oblique) references to old resolutions or recent status reports from the United Nations, UNCTAD should welcome the strengthening of the multilateral trading system under GATT.

(f) The United States delegation also took exception to the concept embodied in paragraph 74 of the Cartagena Commitment, which had been drafted by the secretariat, and which her delegation had not seen until the Main Committee meeting at which it had been summarily adopted. She had personally participated in the task force which had set the work programme and it had been clearly stated at that time that any work not assigned to one of the newly-created Standing Committees or ad hoc committees was suspended, and was not, as the secretariat said, to be assumed by the Board, the Standing Committees or the ad hoc working groups. She wished to make it very clear that the work of all present Committees was suspended. The Conference was not adding new committees and working groups to UNCTAD's present programme, it was creating a totally new structure and work programme that must be undertaken within available resources. This might mean painful structural adjustments to the secretariat staff, but she was sure that all members of UNCTAD recognized and understood the necessity and value of structural adjustment.

(g) For example, the ad hoc working group on the interrelationship between investment and technology transfers (cf. para. 79 of the Commitment) should not simply continue the work previously carried out in the Committee on Transfer of Technology. Instead, it should address the central role of private-sector firms in the creation, development, transfer, diffusion and adaptation of technologies. This applied as well to environmentally-sound technologies, paragraph 174 notwithstanding.

(h) The United States would interpret paragraph 173 as a clear indication that the suspended negotiations and work on an international code of conduct on the transfer of technology should not be resumed until and unless there was a clear resolution of the differences of principle which had prevented agreement on terms of reference for an intergovernmental group of experts on the code.

948. These were the main points that she wished to make in a desire to eliminate inconsistencies and enable the international community to focus on implementing the priorities and establishing the structures fully negotiated and agreed to in Part III, paragraphs 64-88. While they represented important and genuine concerns, she wished to reiterate her praise for the remarkable accomplishments of the UNCTAD VIII final document, as well as her country's commitment to the consensus on new directions. The new spirit of cooperation evident in Cartagena augured well for the future dialogue on development issues.

949. The Secretary-General of UNCTAD said that this had been a Conference of convergence, reflecting a remarkable unity of purpose among the delegations assembled in Cartagena. The atmosphere and the substantive content of the discussions had been constructive, non-confrontational and positive. All participants had undertaken, in the final document, to give effect to the outcome in good faith, both nationally and internationally, in the competent forums, including UNCTAD. Taken together, the political declaration entitled The Spirit of Cartagena and the final consolidated text - the Cartagena Commitment - as supplemented by the decision on a possible World Commodity Conference and messages addressed to the United Nations Conference on the Environment and Development (to be held in Rio de Janeiro) and to the Geneva Summit for the Economic Advancement of Rural Women, marked a turning point in the history of UNCTAD.

950. UNCTAD VIII had given salience and developed common approaches to the themes that would be at the heart of the international economic agenda for the 1990s. In the key interrelated areas that it had set out to address, the Conference had formulated precise objectives, achieved significant policy advances, and evolved major new work programmes. And, above all, it had registered a decisive breakthrough in institutional reform which, effectively pursued, would immensely up-grade the capacity of UNCTAD to seize the new opportunities and meet the fresh challenges that have come into being for accelerating development and enhancing international cooperation towards a healthy, secure and equitable world economy.

951. With regard to transsectoral themes, the Conference had focused on the ingredients of good management, both at the national and international levels, with a view to the proper mobilization, allocation and use of resources and an improved international economic environment. It had brought out the importance, for development, of democratic political structures and respect for human rights. It had deepened recognition of the role of market forces and competitiveness, and the fostering of entrepreneurial initiative, in promoting efficiency and optimizing the contributions of the public and private sectors. In that context, it had addressed issues relating to privatization and the process of transition to market economies. It has laid stress on the opportunities that the conversion of military capacities and technologies to socially productive uses could provide for adjusting production structures to priority needs and for facilitating new commercial, technological and financial flows. And it had established sustainable development, aimed at integrating economic efficiency with ecological sustainability as well as social equity, as one of the main orientations of the work of the institution.

952. On the important question of the institutional reform and the role of UNCTAD, the Conference had agreed that the institution provided the most appropriate focal point within the United Nations for the integrated treatment of development and interrelated issues in key areas including trade, finance, investment, services and technology, in the interests of all countries, particularly developing countries. Its mandate as established by the General Assembly was considered sufficiently broad to allow for the necessary adaptation of its work. The agreed text reaffirmed its functions of policy analysis; intergovernmental deliberation, consensus-building and negotiation, monitoring, implementation and follow-up; and technical cooperation. These functions, however, were to be exercised in a dynamic and progressive sequence

beginning with the definition of a relevant set of issues, followed by high-quality analytical work and a subsequent process of intergovernmental interactions aimed at identifying areas of convergence. This process would culminate, when appropriate, in negotiations undertaken with due regard to the nature and maturity of the issues concerned. Technical cooperation would be strengthened and integrated in all relevant areas of UNCTAD's work. Furthermore, stress was placed on effective implementation, monitoring and follow-up.

953. The Conference had also agreed on a comprehensive reorientation of the substantive work of UNCTAD, embodying fresh approaches both to long-standing trade and development questions and the definition of new and emerging issues in this field. This reorientation was based on four themes: a new international partnership for development, global interdependence, paths to development, and sustainable development.

954. In addition, the Conference had agreed on a far-reaching restructuring of the machinery of UNCTAD. The functions of the Board had been refocused on policy issues and its work reorganized, taking into account the reorientation just mentioned. All the existing Committees of the Board, with the exception of two specialized bodies (the Special Committee on Preferences and the Intergovernmental Group of Experts on Restrictive Business Practices) had been suspended; in their stead, four Standing Committees had been set up on commodities, poverty alleviation, economic cooperation among developing countries, and developing services sectors, it being agreed that their terms of reference would be established by the Board in the coming months. The periodicity and duration of the meetings of these Standing Committees would be strictly limited and their functioning would be reviewed immediately before UNCTAD IX. Moreover, for the purpose of undertaking the in-depth exploration of carefully defined subjects relating to trade and development requiring detailed analysis, examination and reflection, five ad hoc working groups had been set up.

955. Methods of work had also been overhauled. It had been agreed that the intergovernmental process could result in outcomes expressed in forms other than resolutions, such as agreed statements, conclusions, recommendations, decisions or, as appropriate, binding international agreements. Greater flexibility had also been urged in the manner in which Governments joined with others to pursue common objectives, and in this regard mechanisms such as ad hoc issue-oriented groupings and better arrangements to facilitate cross-group mechanisms would be fostered. More effective arrangements had been put in place for preparing and following up the work of the Board. Non-governmental actors such as enterprises, trade unions, the academic community and non-governmental organizations, as well as other international bodies, could, depending on the issue, participate in an advisory capacity at meetings of the various intergovernmental bodies of UNCTAD.

956. Finally, the Conference had invited the Secretary-General of the United Nations to consider granting UNCTAD greater operational flexibility in budgetary, financing and administrative matters, within existing resources.

957. In the area of resources for development, the agreed text gave special attention, in a well-balanced manner, to national policies for the mobilization of domestic savings. It also addressed the issue of financial liberalization, the reform of State economic enterprises, and privatization as an option in this regard, as well as the high priority to be given to human resources development, especially as regards women. With a view to achieving a more favourable international economic environment, developed countries were urged to undertake the necessary structural adjustment measures, to reduce their external and fiscal imbalances and to adopt appropriate and well-coordinated mixes of fiscal and monetary policies conducive to lower interest rates and stable exchange rates. On the problem of external indebtedness, the text, although somewhat less assertive, highlighted several important elements of the evolving international debt strategy. On external finance for development, progress had been made on policy measures to enhance both the quantity and quality of support for developing countries. The text also suggested that while highly concessional assistance should primarily be focused on low-income countries, flows to other needy developing countries could be of a less concessional character. In a further definition of UNCTAD's role as regards resources for development, the Conference had considered that the institution could also be a forum to promote discussions and negotiate basic consensus on the treatment of this issue in the different competent international organizations. In addition, work programmes in this area had been either enlarged - particularly as regards debt, investment and interdependence - or extended into new areas such as structural adjustment for the transition of disarmament.

958. On international trade also a number of positive advances had been registered. Governments had reaffirmed their commitments to halt and reverse protectionism and recognized the importance of pursuing appropriate structural adjustment. As part of the fight against protectionism, the Conference had agreed that UNCTAD should promote the establishment of transparent mechanisms to evaluate protective measures sought by firms/sectors and the implications of such measures both for the domestic economy and for developing-country exports. The international community was also urged to support the trade policy reforms of developing countries through improved market access and increased financial flows. As regards countries undergoing the process of transition to market economies, the Conference had urged that international support be extended for their efforts while paying due regard to the needs of developing countries. On the generalized system of preferences, the Conference had invited preference-giving countries to consider appropriate adjustments in country coverage, and to extend product coverage as widely as possible. Finally, the Conference agreed on considerable reorientations and extensions of the work programme affecting such areas as the evaluation of the outcome of the Uruguay Round, and the implications for developing countries of emerging regional free trade and economic integration arrangements.

959. For the first time, the Conference had addressed the question of trade efficiency in the light of new techniques in international trade transactions and procedures which were capable of producing substantial savings of some 25 per cent of the value of total trade, amounting to billions of dollars per annum for both governments and traders. Such techniques would strengthen new trade links among all regions. The Conference had called for guidelines to be evolved for concrete action towards trade efficiency at

national and international levels, while preserving full scope for private-sector initiatives in this field. The Conference had considered that a culmination of these efforts should lead to the convening of an international symposium on trade efficiency to be held in 1994. UNCTAD was requested to continue to strengthen its analytical and technical co-operation work in this area, including through experiments carried out jointly with the private and public sectors of pilot countries.

960. As for technology, the Conference had identified the link between technological capability and its impact on social and economic development and had recommended appropriate policies and measures for both developed and developing countries. It had stressed that national technology policies required policy frameworks to promote entrepreneurship and encourage technological transfers, including through foreign investment. Stress had also been laid on incentives for domestic capacity building and innovation. Developed countries were encouraged to facilitate access to their enterprises and scientific and technology institutions and to improve cooperation with those of developing countries. Other new areas of attention included the technological requirements of countries undergoing the process of transition to market economies, the transfer and development of environmentally sound technologies, as well as intellectual property rights related to the transfer of technology and development of indigenous technological capability. A new element in the work programme referred to the transfer of environmentally sound technology and the interrelationship between trade in goods and services, investment, finance and environment. On the question of an international code of conduct on the transfer of technology, the possibility was left open for further work, subject to a convergence of views on the outstanding issues.

961. The policies and measures agreed by the Conference on services focused on enabling developing countries to benefit from the liberalization of trade in services and on increasing their participation in world trade in services. The international community was urged to support the efforts of developing countries to strengthen their productive and export capacity in the services sector; for the first time, it was envisaged that such support should include financial assistance. Regarding the work programme, the Conference had stressed the promotion of international co-operation to help developing countries to overcome their handicaps in this sector by enhancing their international competitiveness, fostering environmentally friendly services, and expanding the contribution of services to their sustainable development. The Conference had also recommended that attention should be given to increasing trade in services in countries undergoing the process of transition to market economies.

962. On commodities, the Conference had clearly recognized the need to evolve an international commodity policy for the 1990s, given the generally dire situation in world commodity markets. For the first time, an international consensus had emerged on the need for sound, compatible and consistent policies emphasizing increased reliance on market forces to determine international commodity prices. Such policies should also ensure the proper management of natural resources and optimize the contribution of the commodity sector to development. On national policies, the new accent was on comprehensive commodity-sector strategies within a macroeconomic framework, and on strong national support structures to improve competitiveness and

encourage diversification. The scope of desirable international support measures for national commodity policies had been widened to include institution building and entrepreneurship, promoting efficiency and transparency in the operation of price-formation mechanisms, and exploring new approaches for minimizing risks arising from commodity market fluctuations. In a separate decision, the Conference had set in motion an UNCTAD process looking towards the convening of a world commodity conference, if and when a sufficiently strong consensus emerged on the precise objectives and desired results of such a conference. As regards future work, the Conference, in addition to reaffirmating UNCTAD's co-ordinating role in the area of commodities, had called for activities aimed at: improving price formation mechanisms and facilitating the use of risk management techniques; exploring links between commodity policies, the use and management of natural resources and sustainable development; and reviews of national commodity policies.

963. As regards the least developed countries, the decisions of the Conference also marked an advance over the Programme of Action for the 1990s. The Conference had requested that the commitments contained in the Programme of Action in relation to ODA targets and levels should be reviewed by the Board in the light of the addition of six countries to this category since September 1990. The Conference had also recognized the need to address the additional resource and related needs of LDCs as a result of unforeseen developments in the world economy (such as the Gulf War, and developments in the economies of their donor and trading partners in Eastern and Central Europe). In addition, a number of priority areas for policy action had been identified. As to the work programme, the agreed text called for in-depth analyses of the socio-economic situation and domestic policies of the LDCs, their resource needs, individual donor performances, and external developments affecting their development performance.

964. On economic co-operation among developing countries, the Conference, recognizing the setbacks that this process had suffered in the 1980s, had underlined the importance of the contribution that the international community should make to ECDC through various forms of support, including technical assistance. It had also recognized that structural adjustment programmes and processes financed by multilateral financial institutions should take into consideration the imperatives of ECDC. The approach of the Conference to this and other ECDC issues represented a clearer articulation of the concept than before and took better account of recent changes and of the current realities of the world economy. The agreed text viewed ECDC as a means for enhancing the integration of developing countries in the world economy. It recognized the need to factor macroeconomic policies into ECDC and identified several new dimensions such as cooperation in transport infrastructure, communications and the environment. Further, it expressed support for work to be pursued on the feasibility of establishing an interregional trade financing mechanism to underpin developing-country trade. In addition, there had emerged a widespread feeling that ECDC should be enlarged in the context of the work programme to include cooperation with countries other than developing countries, such as those in Central and Eastern Europe.

965. On sustainable development, the agreed text marked a clear advance on previous decisions by the Trade and Development Board. It stressed the need for UNCTAD to contribute to work towards the following objectives: the

establishment of a framework for coexistence between environmental measures and international trade rules which would prevent the use of environmental measures for protectionist purposes; the possibilities of providing developing countries with additional resources for environmental protection and development; the generation, adaptation and dissemination of environmentally sound technologies; fostering the sound management of national resources, taking development requirements into account, through enhanced international cooperation. In a separate document, UNCTAD VIII had agreed on a message to the United Nations Conference on Environment and Development affirming UNCTAD's readiness to contribute to the follow-up of the outcome of that Conference.

966. On technical cooperation there was a clear recognition of the value of UNCTAD's work as well as strong support for its continuation and expansion. The possibility had emerged, for example, of such cooperation being made available to developing countries in the context of their trade policy reforms, and in facilitating their participation in the GATT trade policy review mechanisms, as well as in the area of services and technological development.

967. The results achieved by the Conference in all the above-mentioned areas were in large measure due to the intensive preparatory processes which had been under way for some 18 months before the Conference. As it now turned its thoughts to the future, the secretariat would analyse and assess the implications of the final document in the light of the processes of reform launched some time ago by the General Assembly. In the coming weeks, the secretariat would be undertaking intensive consultations with delegations with a view to submitting proposals for the terms of reference of the newly-created standing committees and ad hoc working groups, for specific activities arising from the new work programme orientations, and for the preparation of relevant documentation. It would also begin the adjustments required within the secretariat as regards organizational arrangements, working methods and quality improvements. While it was difficult to be precise about the shape and content of these actions and processes at the present time, the secretariat, acutely aware of existing constraints, appreciated that the road ahead was a hard one. The UNCTAD secretariat would exert itself to the utmost to respond to the requirements flowing from the Conference and would spare no effort to give full and prompt effect to the major change in the direction of work that the results represented.

968. In his closing statement, the President of the Conference said that UNCTAD had emerged strengthened from Cartagena. Its mandate had been renewed and its future clarified. From the historic city of Cartagena, the Conference was sending a message of solidarity and interdependence in order that cooperation should prevail in the concert of nations as the underpinning for peace, security and development. At the beginning of the Conference it had been difficult to foresee the outcome of the deliberations. Participants had arrived in Cartagena somewhat sceptical as to the future of the organization and a little fearful of the changes or reforms they had planned to discuss. Gradually a constructive spirit, one of mutual trust and shared responsibilities, had spread through the Conference, and this had given rise to the initial agreements on substantive issues of special importance for economic relations among its member countries.

969. The Conference had made significant progress on the various fronts. As regards commodities, it had agreed on the need for new approaches that would permit a consistent, creative and forward-looking strategy which should take shape in the planned world commodity conference. As regards resources for development, the Conference had underlined the need for vigorous action to guarantee the financial flows required to complement the investment being made by developing countries from their own resources. On external debt, the Conference had pointed to the need for the present strategy to evolve in the direction of arrangements to help the affected countries to service their debt in a timely manner consistent with their needs. The Conference had also agreed on the need for development and prosperity to become central priorities of international cooperation efforts, and the need not to lose sight of the social and human dimension amid complex monetary and fiscal policies, structural adjustments and economic reforms.

970. From Cartagena the participants had launched the idea of a new partnership for development as the collective undertaking of all countries, in which they must unreservedly share their generosity, their talents, their imagination and their resources. The Conference had agreed that conditions were particularly favourable for the creation of such a partnership - a partnership that should lead to the identification of areas in which national and international efforts should be combined to optimize national development policies as well as the rules required to create a fair and equitable framework for international economic relations. By virtue of its universal membership and its ability to deal with economic, social and political problems, the United Nations was ideally placed to provide the leadership that would encourage Governments to act with a sense of global purpose in pursuit of this task. Such leadership was particularly required at a time when the international community faced a number of transboundary problems, such as environmental degradation, epidemics, uncontrolled migrations and illicit traffic in narcotics, which called for cooperative, multilateral solutions.

971. Within the United Nations system UNCTAD had a unique capacity to play a catalytic role, assuming primary responsibility for expanding the new consensus that had been evolving between industrialized and developing nations on the principal issues that should govern international economic relations and ensuring that it translated into tangible results. Ways must be found for developing countries to benefit fully from their participation in the international trading system. Countries must join efforts to reject protectionism and all barriers to trade and they must therefore strongly urge the participants in the GATT Uruguay Round to conclude successfully the negotiations at the earliest possible time. The international community must also call for vigorous action to ensure the financial flows required by developing countries to finance growth and investment in their most dynamic and productive sectors.

972. On offering to host the eighth session of the United Nations Conference on Trade and Development in Cartagena, the Government of Colombia had considered that one of the fundamental aspects of the session should be institutional reform. Without a revitalized UNCTAD, equipped with new working methods, with a more advanced analytical function, with greater involvement by the private sector and academic circles, it would not be possible for the organization to take up the new development challenges in the 1990s. Not only

had this reform taken place, but it had exceeded all aspirations. Moreover, progress had been made in the direction of a dialogue between developed and developing countries, thereby avoiding the rigid arrangements that had previously characterized the debates. In the future this process of entente should be pursued in the interests of the wellbeing of mankind as a whole.

973. Substantive matters had been dealt with realistically, and this would allow the agreements reached to be effectively implemented in the future. All the Governments which had subscribed to the Declaration on the Spirit of Cartagena had stated their political will to act along those lines. For too long the international community had deferred the agreements and commitments required to ensure a better future. It had not taken advantage of the progress in science and technology for fairer and more balanced development between the various regions of the planet, nor had it been sufficiently imaginative and generous in the fight against poverty. The gap between rich countries and poor countries continued to widen, frustrating the aspirations of millions of young people and adults who deserved a better fate and greater opportunities.

974. It was his wish that this spirit of Cartagena, which had permeated the deliberations of the eighth session of the Conference, would spread in days to come and provide a real stimulus to international cooperation. The member States should not neglect the opportunity offered to them to secure agreements based on a new international consensus that would find in their efforts and their determination a genuine and significant contribution to the quest for better standards of living in all nations.

975. In Cartagena the participants had demonstrated that concerted action in good faith could lead to fundamental institutional reforms based on consensus. They had achieved this with UNCTAD, and this move forward was bound to help strengthen dialogue and foster international cooperation. To all participants, he expressed the most sincere appreciation of Colombia for coming to the Conference with open minds to discuss the future of international relations, and for agreeing in Cartagena de Indias on an effective course of multilateral action. He thanked all parties for the trust they had placed in Colombia, and more particularly in that country's commitment to restore the raison d'être of UNCTAD and to revitalize its mandate, as well as for the generous way they had addressed the issues and sought solutions. Colombia felt proud and satisfied at the results of the Conference, and declared that its mission had been accomplished.

Notes

1/ For the list of speakers in the general debate, see annex II.

2/ The statements are set forth in alphabetical order.

3/ For the documents that were before the Conference in connection with agenda item 8, see the check-list of documents in annex VIII.

4/ For the officers and organization of work of the Main Committee and of the two Working Groups which it established, see part three, section I, below.

5/ For the oral report by the Chairman of the Main Committee, see section V below.

6/ For the text of the Cartagena Commitment, see part one above.

7/ For the text of the Declaration, see part one above.

8/ Circulated to the Conference in TD(VIII)/SM/LDC/1.

9/ For the action by the Conference on the report of the Main Committee, see part two, section II above.

Part Three

ORGANIZATIONAL AND PROCEDURAL MATTERS

Part Three

ORGANIZATIONAL AND PROCEDURAL MATTERS

A. Opening of the Conference

(Agenda item 1)

1. In accordance with rule 16 of the rules of procedure of the Conference, the eighth session of the United Nations Conference on Trade and Development was declared open by the Honourable Bernard T.G. Chidzero, Senior Minister of Finance, Economic Planning and Development of Zimbabwe and President of the Conference at its seventh session. Mr. Chidzero delivered an opening address to the Conference (cf. TD/L.330).

2. Opening remarks were also made by Mr. K.K.S. Dadzie, Secretary-General of UNCTAD (cf. TD/L.324).

B. Election of the President

(Agenda item 2)

3. At its 221st (opening) plenary meeting, on 8 February 1992, the Conference elected by acclamation as its President H.E. Mr. Juan Manuel Santos, Minister for Foreign Trade of Colombia. On assuming office, the President of the Conference made a statement (cf. TD/L.322).

C. Report of the Pre-Conference Meeting of Senior Officials

4. At its 222nd meeting, on 10 February 1992, the Conference took note of an oral report on the Pre-Conference Meeting of Senior Officials, held in Cartaçena de Indias on 6 and 7 February 1992, by Mr. Thomas Ogada (Kenya), President of the Trade and Development Board, in his capacity as Chairman of the Senior Officials Meeting. The Conference endorsed the proposals and recommendations set forth in the report of the Pre-Conference Meeting regarding the procedural and organizational aspects of the work of the eighth session (TD/360).

D. Election of Vice-Presidents and the Rapporteur

(Agenda item 4)

5. At its 222nd meeting, on 10 February 1992, the Conference elected Mr. Hector Villarroel (Philippines) as its Rapporteur.

6. At the same meeting, the Conference elected Mr. Werner Reichenbaum (Germany) to serve as Chairman of the Main Committee.

7. At the same meeting, the Conference elected the representatives of the following 32 States to serve as Vice-Presidents: Brazil, Bulgaria, Chile, China, Cuba, Czechoslovakia, Democratic People's Republic of Korea, Egypt, Ethiopia, Indonesia, Islamic Republic of Iran, Italy, Jamaica, Japan, Jordan,

Morocco, Namibia, Netherlands, Nigeria, Norway, Oman, Pakistan, Peru, Poland, Portugal, Russian Federation, Spain, Switzerland, Uganda, United States of America, Venezuela, Zambia.

E. Bureau of the Conference

8. In accordance with rule 22 of the rules of procedure, the Bureau of the Conference consisted of the following 35 members: the President and the Vice-Presidents of the Conference, the Chairman of the Main Committee, and the Rapporteur of the Conference. The Conference further decided that the composition of its Bureau should be based on the same geographical distribution as that of the Bureau at its seventh session, i.e. seven members from Africa, seven from Asia, seven from Latin America, nine from Group B, four from Group D and China.

9. As a result of the elections reported in sections B and D above, the Bureau of the Conference at its eighth session was as follows:

President of the Conference:	Mr. Juan Manuel Santos (Colombia)
Rapporteur:	Mr. Hector Villarroel (Philippines)
Chairman of the Main Committee:	Mr. Werner Reichenbaum (Germany)

Vice-Presidents of the Conference:

GROUP B

- Italy
- Japan
- Netherlands
- Norway
- Portugal
- Spain
- Switzerland
- United States of America

GROUP of 77

African Group

- Egypt
- Ethiopia
- Morocco
- Namibia
- Nigeria
- Uganda
- Zambia

Asian Group

Democratic People's Republic of Korea
Indonesia
Islamic Republic of Iran
Jordan
Oman
Pakistan

Latin American Group

Brazil
Chile
Cuba
Jamaica
Peru
Venezuela

GROUP D

Bulgaria
Czechoslovakia
Poland
Russian Federation

CHINA

10. In accordance with past practice, the Conference decided that the Chairmen of other sessional bodies and the coordinators of regional groups would be fully associated with the work of the Bureau.

F. Adoption of the agenda

(Agenda item 6)

11. At its 222nd meeting, on 10 February 1992, the Conference adopted the provisional agenda for its eighth session (TD/353 and Add.1). (For the agenda, see annex I).

G. Special meeting on the least developed countries 1/

12. At its 222nd meeting, the Conference approved the proposal in paragraph 21 of the report of the Pre-Conference Meeting that a special meeting during the Conference, to be held on 11 February 1992, be devoted to the consideration of LDC issues, including (i) Review of progress in implementation of the Programme (Trade and Development Board resolution 390 (XXXVII) of March 1991) and (ii) Implications for the Programme of additions to the list of LDCs (General Assembly resolution 46/206).

13. In this connection, the President stated that, in accordance with the recommendation of the Pre-Conference Meeting (TD/360, para. 22), he had requested Mr. Alain Vivien, Secretary of State for Foreign Affairs of France and head of the delegation of the country (France) which had hosted the Second United Nations Conference on the Least Developed Countries, to chair this special meeting on LDC issues.

H. Credentials of representatives to the Conference

(Agenda item 5)

(a) Appointment of the Credentials Committee

14. At its 222nd meeting, the Conference established a Credentials Committee composed of the same nine States as had been appointed by the United Nations General Assembly to serve on the Credentials Committee at its forty-sixth session, i.e. Belgium (Chairman); Belize; Chile; China; Lesotho; Singapore; Togo; Russian Federation; United States of America.

15. In accordance with past practice, the Conference agreed that, should any of the above States not be represented at the Conference, the regional group concerned be requested to nominate a replacement.

(b) Report of the Credentials Committee

16. At its 238th meeting, on 24 February 1992, the Conference adopted the report of the Credentials Committee (TD/363) and adopted also the draft resolution contained in paragraph 8 thereof. 2/

I. Establishment of sessional bodies

(Agenda item 3)

17. At its 222nd meeting, acting in accordance with rule 62 of the rules of procedure and with the proposals put forward at the first part of the seventeenth special session of the Trade and Development Board, the Conference decided to establish a Main Committee, open to the participation of all members of the Conference, to consider and report on the matters referred to it by the plenary.

18. The Conference agreed to the recommendation of the Pre-Conference Meeting that the Main Committee establish two working groups to consider and report to it on issues referred to them.

19. At its 1st meeting, the Main Committee elected the representative of Tunisia as its Vice-Chairman.

20. At its 2nd meeting, the Main Committee elected the representative of Belarus as its Rapporteur.

21. Accordingly, the officers of the Main Committee were as follows:

Chairman:	Mr. W. Reichenbaum (Germany)
Vice-Chairman:	Mr. A. Azaiez (Tunisia)
Rapporteur:	Mr. A. Sytchev (Belarus)

22. Also at its 1st meeting, the Main Committee established two subsidiary working groups as follows:

- Working Group I, under the chairmanship of Mr. Lloyd Barnett (Jamaica);
- Working Group II, under the chairmanship of Mr. Jean-Michel Marlaud (France).

23. In accordance with recommendations made by the Pre-Conference Meeting (cf. TD/L.360, para. 27), the Main Committee allocated parts of the basic negotiating text (TD/L.320 and Add.1-5) between Working Group I and Working Group II as follows:

Working Group I

Part I:	Challenges and potentials for international trade and development in the 1990s (TD/L.320/Add.1)
Part II:	Broad policy orientations (TD/L.320/Add.2)
Part III:	UNCTAD in a changing political and economic environment: institutional matters (TD/L.320/Add.3)

Working Group II

Part IV:	Policies and measures (TD/B/L.320/Add.4)
Part V:	Economic cooperation among developing countries (TD/L.320/Add.5)

J. Appointment of "Friends of the Rapporteur"

24. In accordance with the recommendation of the Pre-Conference Meeting (TD/360, para. 38), the Conference agreed that the Rapporteur of the Conference should be assisted in the preparation of his draft report by a group of "Friends of the Rapporteur", composed of two members each from the African, Asian and Latin American Groups, two members each from Groups B and D, and one member from China. The members subsequently designated were:

Group B

Netherlands
United States of America

African Group

Cameroon
Zimbabwe

Asian Group

Islamic Republic of Iran
Republic of Korea

Latin America

Argentina
Chile

Group D (designated one member only)

Hungary

China

K. Membership and attendance 3/

25. The following 126 members of UNCTAD were represented at the eighth session of the Conference: Afghanistan; Algeria; Angola; Argentina; Australia; Austria; Bahrain; Bangladesh; Belarus; Belgium; Bhutan; Bolivia; Botswana; Brazil; Brunei Darussalam; Bulgaria; Burkina Faso; Burundi; Cameroon; Canada; Chad; Chile; China; Colombia; Costa Rica; Côte d'Ivoire; Cuba; Czechoslovakia; Democratic People's Republic of Korea; Denmark; Ecuador; Egypt; El Salvador; Equatorial Guinea; Ethiopia; Finland; France; Gambia; Germany; Ghana; Greece; Guatemala; Guinea; Guinea Bissau; Guyana; Haiti; Holy See; Honduras; Hungary; India; Indonesia; Iran (Islamic Republic of); Iraq; Ireland; Israel; Italy; Jamaica; Japan; Jordan; Kenya; Kuwait; Lebanon; Lesotho; Liberia; Libyan Arab Jamahiriya; Liechtenstein; Luxembourg; Madagascar; Malawi; Malaysia; Mali; Malta; Mauritania; Mexico; Mongolia; Morocco; Mozambique; Myanmar; Namibia; Nepal; Netherlands; New Zealand; Nicaragua; Niger; Nigeria; Norway; Oman; Pakistan; Panama; Papua New Guinea; Paraguay; Peru; Philippines; Poland; Portugal; Republic of Korea; Romania; Russian Federation; Sao Tome and Principe; Saudi Arabia; Senegal; Sierra Leone; Singapore; Spain; Sri Lanka; Sudan; Swaziland; Sweden; Switzerland; Syrian Arab Republic; Thailand; Togo; Trinidad and Tobago; Tunisia; Turkey; Uganda; United Arab Emirates; United Kingdom of Great Britain and Northern Ireland; United Republic of Tanzania; United States of America; Uruguay; Venezuela; Yugoslavia; Zaire; Zambia; Zimbabwe.

26. Kiribati attended the Conference as an observer.

27. Palestine was represented pursuant to General Assembly resolution 3237 (XXIX). Pan Africanist Congress of Azania was represented pursuant to General Assembly resolution 3280 (XXIX).

28. The Office of the Director-General for Development and International Economic Co-operation; Department of Technical Co-operation for Development; United Nations Centre for Science and Technology for Development; Economic and Social Commission for Asia and the Pacific; Economic Commission for Latin America and the Caribbean; Economic Commission for Africa; United Nations Environment Programme; United Nations Development Programme; United Nations Capital Development Fund; United Nations Population Fund; United Nations Conference on Environment and Development; Intergovernmental Negotiating Committee for a Framework Convention on Climate Change, were represented. The International Trade Centre UNCTAD/GATT was also represented at the Conference.

29. The following specialized agencies were represented at the Conference: Food and Agriculture Organization of the United Nations; United Nations Educational, Scientific and Cultural Organization; World Health Organization; World Bank; International Monetary Fund; World Intellectual Property Organization; International Fund for Agricultural Development; United Nations Industrial Development Organization. The General Agreement on Tariffs and Trade was also represented.

30. The following intergovernmental organizations were represented at the Conference: African, Caribbean and Pacific Group of States; Caribbean Community; Common Fund for Commodities; Commonwealth Secretariat; European Economic Community; Inter-American Development Bank; International Bauxite Association; International Olive Oil Council; International Sugar Organization; International Textiles and Clothing Bureau; International Tropical Timber Organization; Latin American Economic System; League of Arab States; Organisation for Economic Co-operation and Development; Organization of African Unity.

31. The following non-governmental organizations were represented at the Conference:

General category: International Association of Agricultural Economists; International Chamber of Commerce; International Coalition for Development Action; International Confederation of Free Trade Unions; Women's International League for Peace and Freedom; World Assembly of Small and Medium Enterprises; World Confederation of Labour; World Federation of Trade Unions.

Special category: Airlines Worldwide Telecommunications and Information Service.

L. Other business 4/

(Agenda item 9)

(a) Periodic review by the Conference of the lists of States contained in the annex to General Assembly resolution 1995 (XIX)

32. At its 238th meeting, on 24 February 1992, the Conference noted that the following States had become members of UNCTAD since the seventh session of the Conference: Estonia; Federated States of Micronesia; Latvia; Lithuania; and Marshall Islands. The Conference decided that these countries should be included in the appropriate lists in accordance with the decision of the Trade and Development Board on the basis of a recommendation of the Secretary-General of UNCTAD.

(b) Report of the Trade and Development Board to the Conference (TD/361)

33. At the same meeting, under cover of an explanatory note by the UNCTAD secretariat (TD/361), the Conference took note of the reports of the Trade and Development Board on its thirty-fourth session (first and second parts), thirty-fifth session (first and second parts), thirty-sixth session (first and second parts), sixteenth special session, thirty-seventh session (first and second parts), thirty-eighth session (first part), seventeenth special session (first and second parts).

(c) Designation of intergovernmental bodies for the purposes of rule 80 of the rules of procedure

34. At the same meeting, the Conference noted that the secretariat had received no applications from intergovernmental bodies for designation for the purposes of paragraphs 18 and 19 of General Assembly resolution 1995 (XIX).

(d) Review of the calendar of meetings

35. At the same meeting, the Conference approved the revised calendar of meetings covering the period from the Conference until the thirty-ninth session of the Trade and Development Board scheduled to begin on 28 September 1992 (TD(VIII)/CRP.3), on the understanding that the calendar would be subject to further review by the Board at the second part of its thirty-eighth session.

M. Adoption of the report of the Conference to the General Assembly

(Agenda item 10)

36. At the 239th (closing) meeting, on 25 February 1992, the Rapporteur, Mr. Hector Villarroel (Philippines) introduced the draft report of the Conference on its eighth session (TD/L.319 and Add.1-18). The Conference adopted the draft report and authorized the Rapporteur, in accordance with the usual procedures, to complete the final report as appropriate after the closure of the eighth session of the Conference.

N. Closure of the eighth session of the Conference

37. After the adoption by the Conference of resolution 171 (VIII) entitled "Expression of gratitude to the Government and people of the Republic of Colombia" 5/ and the closing statements made by the representatives of Portugal (on behalf of EEC), Yugoslavia (on behalf of the Asian Group), Russian Federation, Algeria (on behalf of the African Group), China, Switzerland, United States of America, and the Secretary-General of UNCTAD, 6/ the President of the Conference, at the 239th meeting, on 25 February 1992, made a closing statement 7/ and declared the eighth session of the Conference closed.

Notes

1/ For the outcome of the special meeting, see part two, section III, above.

2/ For the resolution, see above part one, section C, resolution 170 (VIII).

3/ For the list of participants in the Conference, see TD/INF.29.

4/ For action taken by the Conference under this agenda item on the message addressed to the Summit for the Economic Advancement of Rural Women and on the draft resolution entitled "Assistance to the Palestinian people", see part two, section IV, above.

5/ See part one, section C, above.

6/ See part two, section VI, above.

7/ Ibid.

ANNEXES

Annex I

AGENDA FOR THE EIGHTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT*

1. Opening of the Conference

2. Election of the President

3. Establishment of sessional bodies

4. Election of Vice-Presidents and the Rapporteur

5. Credentials of representatives to the Conference:

   (a) Appointment of the Credentials Committee

   (b) Report of the Credentials Committee

6. Adoption of the agenda

7. General debate

8. Strengthening national and international action and multilateral cooperation for a healthy, secure and equitable world economy.

   Evaluation of challenges and potentials presented by long-term structural changes for sustainable development and expansion of international trade in an interdependent world economy. Promoting economic growth, technological capabilities and accelerated development in the developing countries: adoption of sound national and international policies and measures, good management and structural reforms in both developed and developing countries to achieve the effective and efficient allocation, use and mobilization of human and economic resources and a more favourable international economic environment. Towards this end, issues in the following interrelated areas would be addressed: resources for development; international trade; technology; services; commodities.

9. Other business

10. Adoption of the report of the Conference to the General Assembly.

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* Adopted at the 222nd plenary meeting, on 10 February 1992 (cf. part three, para. 11 above).

Annex II

LIST OF REPRESENTATIVES AND OBSERVERS WHO ADDRESSED THE CONFERENCE DURING THE GENERAL DEBATE

A. Countries

		Date	Plenary meeting number
Afghanistan	Mr. Ghulam Mohaiuddin Shahbaz Minister of Planning	14.2.1992	231
Algeria	Mr. Messaoud Ait Chaalal Permanent Representative to the United Nations in New York	10.2.1992	223
Argentina	Mr. Alieto Guadagni Secretary of International Economic Relations	21.2.1992	237
Australia	Mr. Stephen Martin Parliamentary Secretary to the Minister for Foreign Affairs and Trade	10.2.1992	223
Austria	Mr. Harold Kreid Head of Delegation	19.2.1992	235
Bahrain	Mr. Abdul Razak Zain-Alabedin Ministry of Trade and Agriculture	12.2.1992	227
Bangladesh	Mr. M.K. Anwar Minister of Commerce	12.2.1992	226
Belarus	Mr. Viktor V. Andryushin Vice-Chairman of State Committee for Foreign Economic Relations	17.2.1992	233
Belgium	Mr. R. Urbain Minister of Foreign Trade	20.2.1992	236
Bhutan	Mr. Ugyen Tshering Permanent Representative to the United Nations in New York	17.2.1992	233
Bolivia	Mr. Jorge Soruco Permanent Representative to the United Nations in Geneva	13.2.1992	228

		Date	Plenary meeting number
Brazil	Mr. Alvaro Gurgel de Alencar Special Representative of the Minister of External Relations	13.2.1992	229
Bulgaria	Mr. Valentin Dobrev Vice-Minister of Foreign Affairs	10.2.1992	223
Burkina Faso	Mr. Thomas Sanon Minister of Industry, Commerce and Mines	13.2.1992	228
Cameroon	Mr. François-Xavier Ngoubeyou Permanent Representative to the United Nations in Geneva	18.2.1992	234
Canada	Ms. Suzanne Duplessis Parliamentary Secretary to the Minister of External Relations and International Development	11.2.1992	225
Chile	Mr. Jorge Marshall Under-Secretary for Economic Affairs	11.2.1992	225
China	Mr. He Chunlin Deputy Secretary-General of the State Council	12.2.1992	226
Colombia	Mrs. Noemí Sanin de Rubio Minister of External Relations	17.2.1992	232
Costa Rica	Mr. Rodrigo Barzuna Special Representative	10.2.1992	222
Côte d'Ivoire	Mr. Koffi Kouame Permanent Representative to the United Nations in Geneva	14.2.1992	231
Cuba	Mr. Ernesto Melandez Minister of the State Committee of Cooperation	12.2.1992	227
Czechoslovakia	Mr. Miroslav Pravda Director-General, Ministry of Foreign Trade	11.2.1992	225
Democratic People's Republic of Korea	Mr. Song Hi Chol Vice-Minister of Foreign Trade	11.2.1992	224

		Date	Plenary meeting number
Denmark	Mr. Henrik Wohlk State Secretary, Ministry of Foreign Affairs	10.2.1992	222
Ecuador	Mr. Fernando Ribadeneira Under-Secretary for International Economic Policy	12.2.1992	226
Egypt	Mr. Mounir Zahran Head of Delegation	13.2.1992	228
El Salvador	Mr. Ricardo Orlando Valdivieso Oriani Vice-Minister of External Relations	12.2.1992	226
Ethiopia	Mr. Ahmed Hussein Minister of Trade	11.2.1992	224
Finland	Mr. Martti Ahtisaari Secretary of State, Ministry of Foreign Affairs	11.2.1992	225
France	Mr. Alain Vivien Secretary of State for Foreign Affairs	10.2.1992	223
Germany	Mr. Carl-Dieter Spranger Federal Minister for Economic Cooperation	10.2.1992	222
Ghana	Mr. Alhaji Huudu Yahaya PNDC Secretary for Trade and Tourism	12.2.1992	226
Greece	Mr. Petros Anghelakis Director of International Economic Organizations, Ministry of Foreign Affairs	10.2.1992	222
Guatemala	Mr. Alfonso Matta Ambassador Extraordinary and Plenipotentiary to Colombia	18.2.1992	234
Holy See	Monseigneur Paolo Romeo Special Envoy of His Holiness Pope John Paul II	10.2.1992	223
Honduras	Mr. Mario Carias Zapata Minister for External Relations	17.2.1992	233

		Date	Plenary meeting number
Hungary	Mr. Istvàn Major Deputy Secretary of State Ministry of International Economic Relations	14.2.1992	230
India	Mr. P. Chidambaram Minister of Commerce	14.2.1992	230
Indonesia	Mr. Radius Prawiro Minister Coordinator for Economic, Financial, Industrial Affairs and for the Supervision of Development	11.2.1992	224
Iraq	Mr. Farouk Al-Obaidi Director-General, Ministry of Trade	12.2.1992	226
Ireland	Mr. Bernard Davenport Head of Delegation	14.2.1992	230
Islamic Republic of Iran	Mr. Abdolhussein Vahaji Minister of Commerce	11.2.1992	224
Israel	Mr. Ephraim Tari Deputy Permanent Representative to the United Nations in New York	14.2.1992	230
Italy	Mr. Valerio Brigante Colonna Ministry of Foreign Affairs	14.2.1992	230
Jamaica	Mr. Lloyd M.H. Barnett Permanent Representative to the United Nations in Geneva	12.2.1992	226
Japan	Mr. Koji Kakizawa Parliamentary Vice-Minister for Foreign Affairs	12.2.1992	226
Jordan	Mr. Al-Sharif Fawaz Sharaf Permanent Representative to the United Nations in Geneva	13.2.1992	228
Kenya	Mr. E. Mbarire Assistant Minister for Commerce	17.2.1992	232
Kuwait	Mr. Abdullah H. Garallah Minister of Commerce and Industry	11.2.1992	224

		Date	Plenary meeting number
Liberia	Mrs. Amelia Ward Minister of Planning and Economic Affairs	18.2.1992	234
Libyan Arab Jamahiriya	Mr. Fauzi Elmugassabi Head of Delegation	18.2.1992	234
Luxembourg	Mr. Georges Wohlfart Secretary of State for Foreign Affairs, Foreign Trade and Cooperation	12.2.1992	226
Malawi	Mr. Dalton Katopola Minister of Trade and Industry	20.2.1992	236
Malaysia	Mr. Chua Jui Meng Deputy Minister of International Trade and Industry	20.2.1992	236
Mali	Ms. Cisse Mariam Khaidama Sidibe Minister for Planning and Cooperation	14.2.1992	230
Mauritania	Mr. Abderrahman Ould Moustapha Head of Delegation	21.2.1992	237
Mexico	Mr. Pedro Noyola Under-Secretary of Foreign Trade	13.2.1992	229
Mongolia	Mrs. Tserennadmidyn Tungalag Ministry of Trade and Industry	20.2.1992	236
Morocco	Mr. Hassan Abouyoub Minister of Foreign Trade	10.2.1992	223
Mozambique	Mr. Daniel Gabriel Tambe Minister of Trade	14.2.1992	231
Namibia	Mr. Ben Amathila Minister of Trade and Industry	13.2.1992	228
Nepal	Mr. Aishwarya Lal Pradhanang Minister of State for Commerce and Supplies	12.2.1992	227
Netherlands	Ms. Yvonne C.M.T. Van Rooy Minister for Foreign Trade	10.2.1992	222

		Date	Plenary meeting number
New Zealand	Mr. Barry H. Brooks Special Adviser, Ministry of External Relations and Trade	12.2.1992	227
Nicaragua	Mr. Oscar Efrain Aleman B. Ministry of Economy and Development	17.2.1992	233
Niger	Mr. Adamou Salifou Secretary of State for Commerce and Tourism	19.2.1992	235
Nigeria	Mr. Alhaji Abubakar Abdulkadir Deputy Minister of Commerce and Tourism	13.2.1992	229
Norway	Ms. Grete Faremo Minister of Development Cooperation	11.2.1992	224
Oman	Mr. Maqbool Ali Sultan Minister of Commerce and Industry	10.2.1992	223
Pakistan	Mr. Tarik Farouk Mirza Ministry of Foreign Affairs	20.2.1992	236
Palestine	Mr. Mohammad Abu-Koash Director of Economic Relations	19.2.1992	235
Panama	Mr. José María Espino Gonzalez Adviser to the President on International Commercial Relations	20.2.1992	236
Papua New Guinea	Mr. John Giheno Minister for Trade and Industry	13.2.1992	228
Peru	Mr. Juan Carlos Hurtado Miller Personal Representative of the President	13.2.1992	229
Philippines	Mr. Pablo R. Suarez Under-Secretary of Foreign Affairs	19.2.1992	235
Poland	Mr. Andrzej Olechowski Secretary of State, Ministry of Foreign Economic Relations	10.2.1992	222
Republic of Korea	Mr. Lee Sang Ock Minister of Foreign Affairs	10.2.1992	223

		Date	Plenary meeting number
Romania	Mr. Eugene Ionescu Ambassador Extraordinary and Plenipotentiary to Colombia	12.2.1992	227
Russian Federation	Mr. K.N. Ivanov Committee for Foreign Economic Relations	21.2.1992	237
Sao Tome and Principe	Mr. Ridha Ellouze Head of Delegation	13.2.1992	229
Senegal	Mr. Jacques Diouf Permanent Mission to the United Nations in New York	12.2.1992	227
Singapore	Mr. Yatiman Yusof Parliamentary Secretary to the Ministry of Foreign Affairs	13.2.1992	229
Spain	Mr. Inocencio Arias Minister of State for International Cooperation and Latin American Affairs	10.2.1992	222
Sri Lanka	Mr. A.A. Munsoor Minister of Trade and Commerce	18.2.1992	234
Sweden	Mr. Ulf Dinkelspiel Minister for European Affairs and Foreign Trade, Ministry for Foreign Affairs	17.2.1992	232
Switzerland	Mr. Jean-Daniel Gerber Minister Plenipotentiary Federal Office of External Economic Affairs, Federal Department of the Public Economy	12.2.1992	227
Thailand	Ms. Sukon Kanchanalai Department of Business Economics Ministry of Commerce	10.2.1992	223
Togo	Mr. Boukpessi Payadowa Minister of Commerce and Transport	12.2.1992	227
Tunisia	Mr. Hamadi Khouini Permanent Representative to the United Nations in New York	12.2.1992	227

		Date	Plenary meeting number
Turkey	Mr. Gündïz Aktan Permanent Representative to the United Nations in Geneva	21.2.1992	237
Uganda	Mr. Richard H. Kaijuka Minister of Commerce, Cooperatives and Marketing	21.2.1992	237
United Kingdom of Great Britain and Northern Ireland	Mr. Timothy Sainsbury Minister for Trade	10.2.1992	222
United Republic of Tanzania	Mr. Amir Habib Jamal Permanent Representative to the United Nations in Geneva	13.2.1992	229
United States of America	Ms. Melinda Kimble Deputy Assistant Secretary of State Bureau of International Organizations Affairs Department of State	12.2.1992	226
Uruguay	Mr. Julio A. Lacarte Muro Head of Delegation	13.2.1992	228
Venezuela	Mr. Horacio Arteaga Permanent Representative to the United Nations in Geneva	13.2.1992	228
Yugoslavia	Mr. Miodrag Trajkovic Head of Delegation	12.2.1992	226
Zaire	Mrs. Hortense Kabamba Wa Bashiya T. Minister of Economy, Industry and Commerce	19.2.1992	235
Zimbabwe	Mr. K.M. Kangai Minister of Industry and Commerce	13.2.1992	229

B. United Nations Secretariat

Economic Commission for Africa	Mr. Issa B.Y. Diallo Acting Executive Secretary	19.2.1992	235
Economic and Social Commission for Asia and the Pacific	Mr. Ravi Sawhney Chief, International Trade and Tourism Division	20.2.1992	236

		Date	Plenary meeting number
Intergovernmental Negotiating Committee for a Framework Convention on Climate Change (INC/FCCC)	Mr. Michael Zammit Cutajar Executive Secretary	14.2.1992	231
United Nations Capital Development Fund	Mr. Grégoire G. de Kalbermatten Chief, Policy Planning and Evaluation Unit	14.2.1992	231
United Nations Centre for Science and Technology for Development	Mr. Carlos Nones Sucre Deputy Director	18.2.1992	234
United Nations Conference on Environment and Development	Mr. Maurice Strong Secretary-General	17.2.1992	232
United Nations Department of Technical Cooperation for Development	Mr. Kong Fannong Director	14.2.1992	230
United Nations Development Programme	Mr. Edward Omotoso Deputy Director, External Relations Division	21.2.1992	237
United Nations Fund for Population Activities	Ms. Nafis Sadik	13.2.1992	229

C. Specialized agencies, GATT, International Trade Centre UNCTAD/GATT

Food and Agriculture Organization of the United Nations	Mr. R.J. Perkins Director, Commodities and Trade Divisions	12.2.1992	227
General Agreement on Tariffs and Trade	Mr. Arthur Dunkel Director-General	10.2.1992	223
International Fund for Agricultural Development	Mr. Moise Mensah Assistant President	11.2.1992	224
International Monetary Fund	Mr. Michel Camdessus Managing Director	11.2.1992	224

		Date	Plenary meeting number
United Nations Educational, Scientific and Cultural Organization	Mr. Federico Mayor Director-General	21.2.1992	237
World Bank	Mr. Attila Karaosmanoglu Managing Director, Office of the President	13.2.1992	228

D. Other intergovernmental bodies

		Date	Plenary meeting number
African, Caribbean and Pacific Group of States	Mr. Abbey Kafumbe-Mukasa President of the Commodities Committee	13.2.1992	228
Commission of the European Communities	Mr. Juan Prat Coll Director-General	11.2.1992	224
Common Fund for Commodities	Mr. Budi Hartantyo Managing Director	18.2.1992	234
Commonwealth Secretariat	Chief Emeka Anyaoku Secretary-General	12.2.1992	226
European Community	Mr. Fernando Faria De Oliveira	10.2.1992	222
International Olive Oil Council	Mr. Fausto Luchetti Executive Director	21.2.1992	237
International Sugar Organization	Mr. Alfredo R. Ricart Executive Director	18.2.1992	234
International Tropical Timber Organization	Mr. B.C.Y. Freezailah Executive Director	19.2.1992	235
Latin American Economic System	Mr. Salvador Arriola Permanent Secretary	12.2.1992	226
Organisation for Economic Cooperation and Development	Mr. Jean-Claude Paye Secretary-General	11.2.1992	224

E. Non-governmental organizations

General category

		Date	Plenary meeting number
International Chamber of Commerce	Mr. Héctor Larios Representative	17.2.1992	233
International Coalition for Development Action	Ms. Janice Foerde Chairperson	17.2.1992	233
International Confederation of Free Trade Unions	Mr. Luis Anderson Secretary-General	20.2.1992	236
Women's International League for Peace and Freedom	Ms. Martha Bueno Legal Adviser	14.2.1992	231
World Assembly of Small and Medium Enterprises	Mr. Alfredo Pinto Saavedra Vice-President	18.2.1992	234
World Federation of Trade Unions	Mr. Gilberto Morales Representative	17.2.1992	233
World Confederation of Labour	Mr. Alejandro Bernal Representative	17.2.1992	233

Annex III

ADDRESSES DELIVERED AT THE INAUGURAL CEREMONY AND OTHER STATEMENTS MADE TO THE CONFERENCE

A. Addresses delivered at the inaugural ceremony on 8 February 1992

1. Statement by Mr. Boutros Boutros-Ghali, Secretary-General of the United Nations a/

I am very pleased to be addressing the opening meeting of the eighth session of the United Nations Conference on Trade and Development.

First of all, on behalf of the United Nations, I wish to convey to you, Mr. President, my sincere thanks for the warm welcome you have extended to this eminent gathering in Cartagena de Indias. We are indeed privileged to enjoy the gracious hospitality of Colombia in such a beautiful and historical setting. I am also grateful to all the ministers and heads of delegation who have come here, thus underlining the importance that their countries attach to the work of UNCTAD VIII.

The theme of this Conference, the first major economic meeting organized under the auspices of the United Nations, since I took office as Secretary-General, is "Strengthening national and international action and multilateral cooperation for a healthy, secure and equitable world economy". I am very pleased to have this opportunity to say a few words about a subject which is of great concern to me. Indeed I have always been convinced that international economic cooperation to foster development is closely linked with the objective of establishing and maintaining peace and security.

Since its establishment, the United Nations Conference on Trade and Development has played a catalytic role in encouraging the process of development, particularly by assisting the developing countries to participate equitably in international financing and trading arrangements. In that regard, I should like to pay special tribute to the Secretaries-General who have headed UNCTAD, Mr. Raul Prebish, Mr. Manual Pérez Guerrero, Mr. Gamani Corea and the present Secretary-General, Mr. Kenneth Dadzie, who have served the cause of cooperation and dialogue for development with great distinction.

This Conference is taking place at an exceptional moment, when the course of history has accelerated, giving rise to great hopes but also to considerable uncertainty. The end of the cold war has put a completely different complexion on the question of peace and security, at both the international and regional levels. The disappearance of competing ideologies and zones of influence means that all countries have the responsibility for promoting mutually advantageous economic and political cooperation.

At the same time, these developments increase the risk of conflict, underscoring the vital need to rethink approaches for ensuring collective security and the maintenance of peace.

I may add here that the principles inherent in democratic systems and in the sound management of public affairs must not stop at national boundaries: they must also apply to the management of the world economy.

More and more demands are being made on the United Nations in the area of peace-making and peace-keeping, and it is increasingly being called on to respond to large-scale humanitarian crises. Its role is fully recognized both by public opinion and by the leadership of the international community. Substantial progress has already been made on these fronts, particularly in the settlement of regional conflicts. This must now be consolidated and expanded.

The Security Council summit meeting last week has given important impetus to this process and the momentum must continue. In their joint declaration, summit participants have called on all States Members of the United Nations, working through the appropriate bodies, to give the highest priority to solving the economic, social, humanitarian and ecological problems that threaten peace and security. They undertook to address urgent problems, in particular those of economic and social development, requiring a collective response from the international community. They concluded by reaffirming their conviction that "lasting peace and stability require effective international cooperation for the eradication of poverty and the promotion of a better life for all in larger freedom".

I was especially pleased that considerable support was expressed at the summit of the Security Council for the proposal which had been made at the Economic and Social Council for the convening of a world summit for social development, and on which I am now consulting Governments. I welcome this important initiative at this time when we are able to refocus our attention on the importance of the well-being and welfare of people as an integral part of the development process.

I, for my part, shall strive to provide the Organization with the appropriate structures, methods and means so that it is better able to respond to proposals for strengthening international cooperation.

I am convinced that only the United Nations can design and promote an integrated approach at the global level that will enable the international community to take up the formidable challenges facing humanity today. This approach must be based on a broadened concept of security, taking into account its economic and social aspects. It is in this general perspective that a "veritable global strategy" must give concrete shape to our commitment to development and the reduction of inequalities between nations, communities and peoples.

In recent years, the burden of foreign debt has hindered development in a considerable number of developing countries. Many of the poorest countries have paradoxically been obliged to transfer vast resources to the rich countries. In such circumstances a low level of investment and delays in growth are hardly surprising. The resulting economic crisis jeopardizes democratic institutions, which in such countries are still fragile and thus threatens their social structure, national stability and political future.

Zones of poverty, which, far from shrinking, are constantly spreading, constitute potential hotbeds of violence and confrontation. It has already been demonstrated that they can flare up into armed conflicts based on ethnic, tribal, national or religious factors. The causes of the threats facing the environment, and the causes of large-scale migrations and the spread of epidemics, are to be found in large measure in poverty and income disparities between peoples and nations. In the economic and social sphere in particular, which are of such decisive importance for international peace and security, a global consensus in favour of development is still in the process of elaboration, in the process of gestation. The end of the cold war should speed up this process, if we wish to prepare for the civilization of the universe described by Teilhard de Chardin.

Since its establishment the United Nations has been seeking to promote international economic cooperation for development. However, in many cases the outcome of its efforts has been blocked by the East-West confrontation. Furthermore, the concept of development in the broad sense is not an idea that has mass appeal and does not hold the attention of international public opinion in the same way as armed conflicts or natural disasters. That is why the Organization's development activities have not always enjoyed genuine, steady support. With the end of the cold war and the rapprochement between East and West, there is a risk that the countries of the South will come to form a new bloc of poverty stretching from the Mediterranean to the Caribbean. There is a threat of clashes between the self-centredness of the rich countries and the despair of the poor countries. Hence the imperative of sustainable development is an essential factor in the establishment of peace and security in the world - a step that is incontestably in the common interest of all the members of the international community, whether they belong to the family of the proletarian States or to that of the well-off States.

This is why the international community is turning to the United Nations in the hope that it can contribute to solving these problems, and can take up these new challenges. Yet Governments have not yet made a commitment to provide economic and financial support commensurate with this expectation, with this hope.

However, it must be recognized that the activities of the United Nations have been directed, in particular, towards the publication of studies and statistics, the aim being to mobilize the international community and heighten its awareness of the economic and social problems afflicting the developing world. United Nations activities were focused primarily on helping economists and planners to adopt new policies both nationally and internationally. In contrast, it must be recognized that the Organization is not only a unique source of multilateral assistance free of any bias or conditions, but also the only international forum with universal membership dealing with the interrelation of economic, social and political problems. This special status must be preserved and strengthened. It is within the United Nations framework that interdependence between States and the links that exist between international issues of all kinds have been addressed, analysed, studied and highlighted.

In this field, Mr. President, as in many others, the United Nations has demonstrated clearly and precisely that the challenges we face must be taken up, not within the framework of the nation State, but through international action involving the participation of all interests. It is high time that, in view of the experience it has built up and its understanding of the global dimension of the problems involved, full use was made of the Organization to enable all peoples to live in a new world from which poverty, malnutrition, famine and epidemics have been banished; a new world in which nations can coexist in harmony with at least a minimum of equity and equality.

The problems facing our planet-wide society are, it is true, extremely complex.

Governments have the heavy responsibility of formulating and implementing wise development strategies. It is obvious that human resources development and the elimination of poverty must be at the centre of these strategies. The new impetus towards popular participation, the democratization of institutions and respect for human rights is already helping to create a favourable climate for the application of these policies. The United Nations is aware of its duty to assist Governments in this process of democratization as a preliminary to the development to which peoples and nations aspire.

To this end it will be necessary to innovate, invent and try out new methods, and create institutions. For example, it might be possible to undertake a three-yearly review of the world situation, and on that basis to seek agreement at the international level on a framework for dealing with the interrelations between political, economic and social problems. This would require comprehensive studies of economic, social, political and environmental issues, and would facilitate the rational use of the United Nations and the specialized agencies, through enhanced coordination and greater consistency within the United Nations system.

During the 1990s, there will be a clear need to respond to growing pressures on scarce financial resources by adopting policies to encourage the mobilization of domestic savings, as well as vigorous measures to reduce debt and promote flows of external resources without generating increased indebtedness.

In that regard, it is manifestly necessary, as suggested by my friend and predecessor Mr. Javier Pérez de Cuéllar, to convene an international conference on the financing of development.

I have every confidence in the ability of nations to agree on urgent measures to combat the degradation of the world environment. The "Earth Summit" to be held shortly in Rio will undoubtedly encourage the international community to pursue this task and to define the outlines of a new strategy, which is so crucial for the future of our civilization.

You are going to study issues which relate to essential aspects of human activity. You are familiar with the discussions currently under way, notably in the Uruguay Round of negotiations. Trade is the engine of the world economy. It liberates growth. And it provides the developing countries with new means of breaking out of the cycle of underdevelopment. It is in the field of world trade that distortions are most marked. Paradoxically, it is the poor countries which suffer the greatest restrictions in the commercial field. Hence it is vital that the Uruguay Round should reach a successful conclusion. We will then be in a position to lay the foundations of a multilateral trading system which is genuinely global, liberal, free and open.

As the principal organ of the General Assembly in the field of trade and development, UNCTAD offers you an opportunity to discuss these issues in a comprehensive and integrated manner. Many of them, particularly those dealing with commerce, finance, raw materials, investments, services and technology, are clearly set out in your agenda. Others are not. I am thinking in particular of the future of trade negotiations and institutional arrangements which will make it possible to address these problems, which stand at the heart of the question of development. History confers on you the special responsibility of reaching a consensus that will strengthen international efforts aimed at ensuring the economic and social welfare of peoples - for that is ultimately the only purpose of development. When you come to discuss institutional reforms designed to strengthen the usefulness and effectiveness of UNCTAD, you must bear in mind that these reforms must be integrated within the United Nations system.

If we wish to pursue the major objective of peace through development, with greater credibility, greater strength and vigour, we need to strengthen the political will of Member States, we need new resources, we need a more coordinated, more integrated system between the United Nations on the one hand, and the specialized agencies and non-governmental organizations on the other.

I have no doubt that your discussions will generate a political climate and fresh guidelines which will help to give new momentum to growth and development. International economic cooperation for development must be given a solid infrastructure, since it constitutes a basic component of the new world order which is taking shape. There will be no peace or stability without development. There will be no development without peace and security. As a forum for the promotion of trade and development, the United Nations Conference on Trade and Development, at its eighth session, can make a major contribution at this historic turning-point for our planet on the threshold of the twenty-first century.

I wish you every success in your work.

2. Inaugural address by Dr. Cesar Gaviria Trujillo, President of the Republic of Colombia b/

It is a privilege for Colombia to host the eighth session of the United Nations Conference on Trade and Development. It is also a privilege to have so many distinguished guests in Cartagena de Indias, especially the Secretary-General of the United Nations, Mr. Boutros Boutros-Ghali. It is my pleasure to welcome them on behalf of my Government and the Colombian people.

Cartagena de Indias was for many years one of the main trading centres between the new world and the old world. The city, which is part of the historical heritage of mankind, owed its prosperity and architectural glory to trading activity. It is a happy coincidence and a wonderful portent that this Conference is being held here, 500 years after the discovery of America. It is precisely in the year of the anniversary of the meeting between two worlds that two worlds of another kind, the industrialized world and the less developed world, are meeting to talk about their differences and find solutions to the problems of development and trade. This meeting in Cartagena is taking place at a time when the world is going through changes, many of which are turbulent and augur well for better times, but also involve new dangers and new requirements for collective action.

The main reason for optimism is the attenuation of the confrontation between East and West. Now that the so-called "Cold War" has ended, the enormous energy that went into ideological rivalry and confrontation between the poles with a view to military superiority may be channelled into the solution of the real problems that beset us.

Although some of this has happened, the main challenges facing mankind, namely, the ones which should be included in the new agenda of the world community, such as economic progress, the elimination of enormous social inequalities, endemic diseases, nuclear proliferation, the destruction of the environment and the drug traffic still have not found any genuine solution.

These problems, which cannot be solved without cooperation among all nations, especially among the industrialized and the least developed nations, confirm us in our belief that only through multilateral institutions and commitments can we really make headway in the building of a better world. This is why Colombia supports UNCTAD as the key forum for matters relating to development and international trade.

In a world where ideological and political conflicts tend to be disappearing, the economic topics which are on the agenda of this meeting, namely, trade and development, are moving to the centre of the discussions. In dealing with these matters, the world community also has an opportunity to choose between confrontation and cooperation. The best way of ensuring that differences are settled by means of cooperation is to recognize that there are different aspirations and interests that have to be harmonized through dialogue and international solidarity. There are hopeful signs that suggest that the problems may actually be solved in a constructive way.

In the first place, a kind of universal consensus has been taking shape that competition is a basic instrument for strengthening the efficiency of domestic and foreign markets. Practically all the developing countries have adopted reforms along these lines, some more intensively than others.

This belief has also had an effect on the definition of the role of the State in economic development. The sphere of the private sector is becoming increasingly wider and the function of the State more clearly defined. This has made for the flowering of democracy, freedom and pluralism throughout the world.

It is also an obvious truth that the world is more interrelated than ever. Advances in communications and the integration of economies are offering new possibilities for cooperation. The decline of the communist ideology has thus broken down the walls that divided the world in two. Today, there is a new community of countries which proclaim the values of democracy and freedom and are full of hopes that have unfortunately still not come true.

No one can deny the fact that, in general terms, there has been progress in the past 25 years. According to the World Bank, life expectancy in the developing world rose from 45 to 62 years between 1965 and 1990 and per capita income increased from $430 to $800 during the same period.

However, needs are so great that such progress pales by comparison. In recent years, in particular, the situation in many parts of the world has worsened. Most of the peoples of Africa and Asia are subsisting in the most abhorrent poverty, in subhuman living conditions. In Latin America, for example, the 1980s were a lost decade for social development. In addition to these problems, there are new requirements as a result of the reconstruction of the former communist countries. The most recent data indicate that, instead of narrowing, the gap between wealthy and poor nations has widened in the past decade.

A world with thousands of millions of human beings living in poverty, without any hope of a better life, cannot afford the luxury of selfishness and isolationism. The higher-income countries, including some of the developing nations, cannot turn their back on these masses and announce that all of mankind's problems will be solved by an invisible hand, by the mere play of market forces. Now more than ever, solidarity is unavoidable.

Many of the main international actors have begun to scale down their commitments and evade their duties in the joint effort to build a much better world. As a result of economic recession, the industrialized nations are adopting isolationist attitudes. At the same time, other nations have found that the end of communism is one more excuse to turn their backs on the world and escape the responsibilities incumbent upon them because of their size and their wealth.

It must not be thought that a new world, a fairer and more balanced international system, is going to come about by spontaneous generation. Without an active commitment by the industrialized nations to the rebuilding of the wreckage of totalitarianism, the frustration of the peoples of the former Soviet Union and of Eastern Europe might stand as an obstacle to a democracy coming at the same time as so much penury.

Much of the assistance, many of the trade opportunities and much of the North's solidarity were designed to achieve such a strategic alliance with the so-called third world. Now, without the communist threat to encourage such solidarity, there is the risk that policies of support for the third world nations will disappear. We have already seen that measures are being taken along these lines. We are concerned about the decline in international assistance. According to figures published by the Organisation for Economic Cooperation and Development, early in the decade, only four industrialized countries, Norway, Denmark, Sweden and the Netherlands, had achieved the international official development assistance target of 0.7 per cent of gross national product, whereas many others, including the three wealthiest countries on Earth, granted less assistance in 1990 than in the 10 previous years.

We hope that part of what has come to be called the "peace dividend", namely, the reduction in the industrialized countries' defence spending, will lead to a significant increase in transfers for the neediest countries.

The industrialized countries have to understand that their long-term interests are based on support for economic progress, social improvements and political stability in the least developed countries. If we want the world to experience a new era of prosperity, it will be necessary to promote progress in these countries, which, until now, have been sunken in stagnation and backwardness.

One of the great revolutions of recent times has been the far-reaching economic and trade reforms undertaken by many of the developing countries. In Latin America, in Asia, in Africa, in Eastern Europe and here in Colombia itself, structural reforms have been adopted to eliminate barriers to trade, promote free competition, strengthen the role of private initiative and give markets a larger share in the distribution of society's resources. The international organizations estimate that more than 40 developing countries throughout the world have chosen the path of reform, openness and restructuring.

There are, of course, many developing countries, especially the poorest, which continue to preserve their traditional barriers, for, in the final analysis, the developing world is not a homogenous group. I am sure, however, that the example of the economies of the countries which have introduced changes will be imitated in all parts of the world if those countries achieve the proposed goals.

While this progress is taking place in the least developed countries, there has been a return to the past in the industrialized world. Paradoxically, while the South moves more and more enthusiastically in the direction of being able to benefit from free trade and economic reform, the industrialized nations are holding back, putting up protectionist barriers and imposing new types of trade restrictions.

The industrialized world is moving dangerously close to the re-establishment of neo-mercantilism. The trade discussions are focusing more on protecting jobs than on stimulating growth; more on protecting markets and obtaining reciprocities than on promoting competition and efficiency; more on generating surpluses and accumulating reserves than on guaranteeing consumer satisfaction and creating wealth; and more on looking after domestic electoral interests than on taking care of the majority of the population. In short, they are avoiding the intrinsic advantages of trade liberalism and getting increasingly carried away by the alleged mercantilist benefits of politically administered international trade.

If the world economy continues in this direction, there will be fewer and fewer possibilities of establishing a new international order based politically on democratic principles and economically on market forces and freedom. Without access to markets and free trade, it will not be possible to achieve the levels of economic development needed to eliminate poverty and promote a climate of world peace. UNCTAD therefore has to consider this problem and denounce the double standard by which the principles of free trade are applied selectively for the benefit of some and at the expense of others.

In no forum is this situation more obvious than in GATT. The Uruguay Round negotiations have been going on since the middle of the last decade and there is no sign of a successful outcome. Worse still, it is said that the talks might be broken off and then the world would be faced with the possibility of an unprecedented trade war.

A satisfactory conclusion to the Uruguay Round of GATT will not be achieved if some of the countries are content to receive concessions without offering anything in return. A number of our nations have in practice given up producing goods in areas where they are not competitive owing to a lack of capital, natural or technological resources. Why then cannot the more industrialized countries agree to compete on an equal footing with our agricultural commodities, textiles, light manufactures, steel and so many other products?

Owing to the deadlock in multilateral negotiations, the world has been moving towards bilateral trade agreements. This is a dangerous trend towards blocs of countries and cannot be viewed as an end in itself. The only valid justification for trading blocs is when they are the embryonic predecessors of more comprehensive agreements of a multilateral nature. This is what Colombia strives for in the context of the Andean Pact and other similar integration agreements.

One reason for fearing that trading blocs will lead to a more protectionist world is that the industrialized countries have resisted the dismantling of their barriers in particular sectors. This is why the undesirability of the adoption by the European Economic Community and Japan of a social policy to protect fewer than 5 per cent of the citizens, at the expense of millions of consumers within their borders and millions of farmers throughout the world, has received so much emphasis. The same is true of the Multifibre Agreement. It is right to insist on reform in these areas.

There is, however, another source of danger which is frequently forgotten. We may end up in a world of protectionist blocs, not because faith has been lost in the principles of free trade, which have proved effective for more than 40 years, but because confidence in the ability to enforce the agreements is being lost.

The institutional weakness of GATT was not so serious when the commercial dominance of the United States was sufficient to defend some common rules. Today it threatens to undermine the effect of the agreements in all areas. This is why there must be emphasis on the need for agreements in agriculture, services, intellectual property and other fields to go hand in hand with the strengthening of the regulatory instruments of GATT. In this way, such safeguards machinery as the Anti-Dumping Code would no longer be abused and the unilateral sanctions procedures would disappear.

The accession of all the GATT nations to the Multilateral Trade Organization, with acceptance of the common dispute-settlement machinery, would be a significant step foward in preventing the trading blocs from violating the principles of free trade and, indeed, would help to promote such principles.

The problems we encounter in trade and development, like the changed circumstances of the world, incline me to think that this is an excellent time for multilateral action. In the past, when the globe, both land and oceans, was divided into opposite and irreconcilable poles, it was almost impossible to reach agreement even on the simplest of ideas. Now that this hurdle has been overcome, the conditions are ripe for multilateral organizations to become the principal actors in the new international order.

But here also it is necessary to appeal for caution. The key problems of the new world agenda, including those which concern trade and development, cannot be solved without the active and decisive participation of the developing nations. This new role, the specific weight which our countries have in the management of the international agenda, must be recognized by the industrialized countries if we want a multilateral approach to be truly feasible and a proper environment for mutual cooperation and collaboration to be created.

At the same time, the industrialized nations cannot continue to be selective in their acceptance of multilateralism. By this I mean they cannot continue to agree to the decisions of bodies only when these coincide with their interests and to reject any decisions that fail to reflect their priorities. Similarly, the developed countries should abandon the practice of converting multilateral bodies into machinery for rubber-stamping their unilateral decisions. For its part, the developing world needs to shed the ideological positions of the past and to replace them with a more pragmatic attitude, one designed to find solutions through constructive interaction with the industrialized world.

With a view to finding the indispensable reforms, the fact that today's UNCTAD cannot be the same as it was in the past must be recognized. The reasons are many, but perhaps the principal one is that UNCTAD must reflect the changes in the world. This will require sweeping reforms in both the instruments and the structure itself of UNCTAD. I think I am not mistaken if I say that UNCTAD has failed to keep up with the pace of change in a radically altered world.

For this objective to work, the traditional confrontation between North and South must give way to consultation and dialogue within the Conference. While differences will undoubtedly persist, the discussion must be conducted differently. The Government over which I preside firmly believes that the first step in surmounting the differences between the parties to a disagreement is to keep open the channels for dialogue. Furthermore, we in Colombia are convinced that the least developed countries have every right to express their opinions and must be heard. In the context of world development, UNCTAD must comply with this aim.

There is no reason for the relations between UNCTAD and other multilateral organizations or instruments to be the source of sterile controversy. UNCTAD must influence the course of negotiations in forums where there is discussion, negotiation and decision-making, thereby assisting the developing countries to give expression to their aspirations. This it can do either through its planning or because its action helps to form groups of countries with similar interests, sustained by the technical capacity of the institution.

Furthermore, the defence of particular interests, notwithstanding the consensus which may exist with respect to general points, is a legitimate exercise in diplomacy. In this context, the developing countries may defend interests associated with their own economic conditions. The generalized system of preferences, which was negotiated within UNCTAD and is perhaps the greatest of its specific achievements, was the result of an effort of this kind. In the new international order, there must be many initiatives like this one.

In general terms, to limit the action of UNCTAD to the preparation of studies would be to overlook the fact that over the years it has been able to inspire negotiations on many important subjects before there was a consensus on their urgency. Such was the case with basic commodities, for instance, or the reforms made to the monetary system, such as the special drawing rights, which were adopted in the International Monetary Fund because of concerns which arose in UNCTAD. UNCTAD has shown a capacity for inspiring meetings, a capacity which must be strengthened.

I want to emphasize the fact that at this time of internationalization of economies and opening of markets, international aid must play a definite role in consolidating this process. This inclines me to think that the amount of cooperation should be increased substantially. There are many unsatisfied needs, on the one hand, and the group of countries aspiring to such aid has increased, on the other. The decline in the level of military expenditures announced by the largest countries should release resources for this purpose. Let us work to ensure that part of the money that was used before to strike fear in the adversary is now used to create progress and hope.

The Government of Colombia trusts that, by the end of this Conference, we shall be able to state that we have taken an important step forward in strengthening the multilateral solution of trade and development, and that the conditions have been established for UNCTAD to play a more effective role in the United Nations family of institutions. If a reformed and rejuvenated UNCTAD emerges from this Conference, the outcome would be a contribution of the greatest importance to cooperation, economic progress and world peace itself.

You, distinguished delegates, have a long agenda of items to discuss in depth at this UNCTAD Conference. Many of the subjects are so specialized and so complex that they are comprehensible only to the initiated. Others represent partial aspects of a substantially more complex economic and world reality. However, I am sure that all of you are also thinking that this meeting can become an occasion for helping to identify the major problems of human progress and welfare and for progressing in the search for solutions.

It is four years since the last UNCTAD Conference. This meeting in Cartagena de Indias occurs at a special time in history. The number of crossroads at which the world has had an opportunity to decide its destiny and human beings to choose their future can be counted on the fingers of one hand.

This is one such crossroads. We are at a time of transition. We leave behind a divided world where the language of force and megatons prevailed over the language of cooperation and solidarity. We want to go forward to a new world where the values of democracy, freedom, economic progress and social justice are the standards of the world community.

You, distinguished delegates, have in your hands the instrument of dialogue and political consultation to achieve it. You, distinguished delegates, have an opportunity to be partners in building tomorrow. Let us ensure that this meeting in Cartagena de Indias is recalled as a decisive step in the emergence of an open world and one where there are peace, justice and well-being for all human beings.

B. Statements made at the 221st (opening) plenary meeting, on 8 February 1992

1. Opening statement by Mr. B.T.G. Chidzero, Senior Minister of Finance, Economic Planning and Development of Zimbabwe, in his capacity as President of the Conference at its seventh session c/

I extend a very warm welcome to you all to this important eighth session of the United Nations Conference on Trade and Development. And may I at the very onset of my statement express deep gratitude to the Government and people of this forward-looking and progressive country, Colombia, for hosting this Conference in this historic and beautiful city of Cartagena de Indias. I am myself extremely happy to be here.

The eighth session of the United Nations Conference on Trade and Development is being held at a time of fundamental, indeed unprecedented, changes in international political and economic relations. The end of the Cold War, the dramatic developments in Eastern and Central Europe, the re-unification of Germany, developments in the Middle East, far-reaching economic reforms in many developing countries and the democratization process are all developments which have the potential to open up new opportunities and pose veritable challenges to the international community as a whole. While they could lead to multipolarity in the world and uncertainty about the future and possibly polarise North-South relations, they have all the elements conducive to a new world order, to durable peace and global security. It is, I am certain, the fervent hope of all of us that the latter will prevail. But we have to act together to resolve our common problems and to realise development objectives in conditions of justice and equity for all. There sadly still exist the disquieting continuity and grim reality of old problems of development and the poverty divide, matters of central concern to the international community, not least to UNCTAD. While ideological walls are being dismantled and the arms race loses its raison d'etre, destitution and asymmetries in international economic relations persist and have in fact deepened over time. Indeed, despite positive and significant results registered by some developing countries, the gap between rich and poor has become more glaring and more pronounced than ever before. This constitutes a fundamental challenge of pervasive proportions in the post-Cold-War era. As the Cold War recedes into the annals of history, the poverty divide looms larger than before and is thrown sharply into focus as the major source of potential, and even actual, conflict and disarray. I concur therefore with the view expressed in the Tehran Declaration of the Group of 77: "A world divided between a rich few and large masses of the poor is unfair, inherently unstable and in the long run, unsustainable."

We must change or decisively influence the course of events. As destructive weapons are reduced or destroyed, the prospects should provide greater scope for increased non-debt creating resource flows in support of economic restructuring and the development process, not only in Eastern and Central Europe, but in the third world in general and the least developed countries in particular. Here I must emphasize that the valiant and exacting structural adjustment efforts being made by all these countries have to be accompanied by supportive adjustments in developed countries whose industrial, agricultural, trade and monetary policies and practices often create obstacles which it is not possible for weaker economies to surmount.

Reforming countries, especially the less developed, cannot succeed in their development pursuits as long as the external environment continues to be unsupportive. For most of them, notably in sub-Saharan Africa, the 1980s represented a "lost development decade". Financial and technological inflows stagnated or virtually collapsed, the debt burden continued to cripple their capacity to invest, real prices for their export commodities fell, thereby worsening already inequitable terms of trade. To compound it all, protectionism remained a very major obstacle.

Developed countries are called upon, therefore, to undertake reforms in their economies in a manner that supports the development efforts of developing countries, as well as reforming countries. In an interdependent world, socio-economic development and sustained growth in the latter groups of countries provide scope for further growth in the developed countries and expansion of their exports, thereby enhancing the prospects for prosperity for all.

We need to foster greater and effective international cooperation in what has become one global economy and in so doing, ensure that the many are not left behind.

I turn briefly to trade. Fairer rules and regulations have to be worked out to ensure predictability in international trade and foster mutually supportive global development. In this context it is very much to be hoped that the final results of the ongoing GATT negotiations and the follow-up work will produce agreement and an agenda that is balanced, taking into consideration the general interest of all parties concerned, but, in particular, those of the developing countries. I deliberately emphasize the interests of the developing countries owing to the relative weakness of their economies in general.

The role that regional groupings can play in the development process is of the utmost importance. These groupings, however, should foster and create trade, should be outward-looking and should be designed to promote greater and more equitable interdependence among nations, rather than promote regional autarkies. In other words, regional trading arrangements should be compatible with an open and liberal multilateral trading system and freer movement of resources.

Economic cooperation among developing countries, particularly South-South cooperation, is crucial for the integration of these countries into an equitable international economy. There is need to consolidate and strengthen further the Global System of Trade Preferences. There is need to establish or strengthen internationally backed trade financing facilities in this regard. Greater and more effective South-South cooperation is a necessary and integral part of meaningful global cooperation. It must therefore be fostered and facilitated by all and not hampered or feared by the international community.

Traditionally, UNCTAD Conferences have discussed issues such as depressed commodity markets, protectionism, insufficient or inadequate debt-relief measures and the virtual paralysis of flows of fresh financial resources to developing countries. While these issues have not lost a bit of their importance, relevance and urgency, other issues, such as good governance and management, sustainable development, the balance between development and environment, to mention but a few, have surfaced and now loom large in the development agenda. Furthermore, the economic transition which countries of Eastern and Central Europe are now embarked upon adds a new and challenging dimension to the development problematique. The combination of all these developments and realities makes it necessary to devise new, innovative approaches and to establish appropriate institutional arrangements.

Turning to the United Nations system, events of the last four years have significantly revived the political relevance of the United Nations, especially in matters of peace and security, and we are greatly encouraged by the vision outlined by the recent summit meeting of the Security Council. On the broader front of development, multilateral attack on common human problems is the most logical course of action. The ongoing and anticipated reforms in the economic and social sectors of the United Nations system acquires even greater significance and urgency. This poses a great challenge to the United Nations system in general and to UNCTAD in particular, since UNCTAD provides the focal point for an integrated treatment of growth and development issues and for consideration of the interrelated areas of trade, finance, investment, services and technology. Therefore, for UNCTAD to remain at the centre in the promotion of international cooperation for development, institutional adaptation and revitalization is needed.

Changes in the international environment, particularly as regards economic matters, have direct implications for the work and even style of operation of UNCTAD. New policy perspectives in regard to trade and development are being shared by a growing number of member States, and these are discussed in the report of the Secretary-General of UNCTAD to this Conference. The world economy is giving marked signs of increasing globalization, coupled with the creation and expansion of economic spaces. In the same fashion, the growing diversity which is now observed among developing countries calls for a different, more disaggregated treatment of development problems, as well as for carefully devised national and international policy measures. The need to elaborate a framework for international competition, in which countries can realize the actual and potential comparative advantages they possess, is now more clearly perceived than ever before. I concur in this context that "UNCTAD should contribute to the evolution of universal and comprehensive institutional arrangements for a development-oriented international trading system that responds to the interests of all members, particularly developing countries, and ensure equitable distribution of benefits of international specialization".

The revitalization and strengthening of UNCTAD itself, which the eighth session is to address, can be seen as an important contribution to the overall United Nations reform exercise.

The relevance of the Final Act of UNCTAD VII for the present session of the Conference is apparent from the appeal the Act makes in favour of multilateralism. Multilateral attack against world economic problems is indeed more necessary than before, if only because of the urgency to ensure firm widespread recovery of world economic growth. As recently as a few weeks ago, we were glad to learn that two leading industrial powers have clearly recognized that it is in their own interests to promote worldwide growth, and this constitutes a matter for optimism and anticipation. But, to be fully effective, a strategy of this nature cannot be devised, and least of all implemented, in secluded conclaves; it must, on the contrary, count on the involvement and commitment of all parties concerned. In other words, the strategy needs to make use of the multilateral channels which are at the disposal of the international community. UNCTAD VIII provides the occasion to launch a multilaterally agreed set of policies aimed at sustained world economic recovery, a recovery which permeates developed and developing countries alike, thereby making it possible to substantially reduce and ultimately eliminate poverty from this world.

For the consideration of both substantive and institutional issues, UNCTAD VIII does not take off empty-handed. In addition to the intense and important preparatory work which preceded Cartagena, UNCTAD VIII will benefit from the experience gained at the seventh session. From the formal point of view, a consolidated text, such as the Final Act, appears - given the growing interdependence of issues and nations - to be a more meaningful instrument for present times than the traditional, separate resolutions negotiated at previous sessions. From the substantive point of view, UNCTAD VII tackled, and reached agreement on, a number of issues which by necessity are going to be considered here again. More important, from the political point of view, UNCTAD VII and its Final Act marked a new phase in the intergovernmental dialogue in UNCTAD, notably by recognizing that all countries ought to assume joint responsibility, commensurate with their relative economic weight, in the promotion of accelerated and sustainable development and for a healthy, secure and equitable world economy. The points made therein remain valid, and the recommendations put forward by and large await implementation. The implementation or lack of implementation in this regard should thus be borne in mind or ascertained, so as to draw pertinent lessons and arrive at meaningful results in the exercise that lies before us.

We have entered a new era in which a new world order is being shaped. We need the wisdom of common perceptions and resolute solutions to our problems, purposeful shift from confrontation to consensus, and above all concerted action in shaping a new world order in which all will benefit.

May I, in conclusion, express my sincere thanks and gratitude to the UNCTAD Secretary-General, Mr. Dadzie, and his staff, for their excellent work, as well as to representatives of member countries, for the manner in which they facilitated my work during my term of office as president of UNCTAD VII. To them all I say "Keep up the good work and provide the same kind of support to the new President".

In concluding my statement I must seize this opportunity to wish you conclusive results and epoch-making success in your deliberations.

2. Statement by Mr. Juan Manuel Santos, Minister of Foreign Trade of the Republic of Colombia, upon his election as President of the Conference d/

First of all, I would like to express the gratitude of all those present to His Excellency Mr. Bernard Chidzero, Minister of Finance, Economic Planning and Development of Zimbabwe, who was President of UNCTAD VII and a key factor in its great success.

On behalf of the Colombian Government, I wish a very cordial welcome to all the Ministers, Ambassadors and delegates to the eighth session of the United Nations Conference on Trade and Development. I hope that, despite the very heavy programme of work, you will be able to appreciate the warmth and generosity of the Colombian people and enjoy the unforgettable setting of Cartagena de Indias.

It is an honour for my country that, as Minister of Foreign Trade of Colombia, I have been elected to preside over this historic meeting, which brings together delegations from more than 170 countries seeking agreements which will promote the trade and development of peoples. I will make every effort to guide the work of the Conference towards solutions which will make it possible for its participants to reach consensus, strengthen the organization and meet the expectations of a changing world.

This Conference is being held at an exceptional time for all mankind. We are living through a moment in history that offers many possibilities. Never since the post-war period has the international community had such an opportunity and such a challenge for the establishment of a new world order. Myths and dogmas have been left behind. So has the East-West conflict, in which the developing countries were simply pawns in the struggle for world power. The centrally planned economy, growth generating pollution and the theory that poverty is part of the natural order have been forgotten in order to make way for democracy and political pluralism, the market economy and cultural diversity. However, the new ways of thinking have not yet taken final shape and the new paradigms still have to be put together. We are going through a transition phase that will involve uncertainty and require some redefinitions.

This forum offers us an excellent opportunity to move ahead in this direction and help work out the new world agenda. The new order that is to be established will have to take account of the fact that the main feature of the present political and economic situation is the proliferation of centres of power and decision-making. This means that a consensus has to be reached on the basic definitions of the new system and coordinated action for the proper management of the global economy.

UNCTAD is called upon to play a key role in this process. We have left behind the reasons that led to sharp ideological confrontation. We are now living in a political and economic climate where cooperation and solidarity have to replace confrontation and dogmatism. We therefore have to re-establish and revitalize the organization so that it will be tailor-made for the new times. This is why I attach so much importance to the institutional reforms that have been proposed. Organizations, like ideas, cannot remain chained to the past because if they do, they die. UNCTAD has to adapt to the new realities. Its effectiveness has to be increased, its debates have to be made more flexible and the implementation of its conclusions has to be ensured.

Although institutional changes have priority, other problems can certainly not be ignored. Poverty, hunger and inequalities did not disappear with the decline of communism. Besides the traditional UNCTAD topics, such as development finance, trade, transfer of technology and commodities, we should add others resulting from exchanges among nations, not so much in goods and services, as in ideas, information, epidemics, drugs, money and people themselves. And, of course, the very important topic of the relationship between trade, development and environment is also on the agenda.

One of the most important topics the Conference has to consider is that of so-called sound administration. We have to join together to combat the problems which stand in the way, including corruption, which is undermining both the public and the private sectors. Corruption is becoming more and more transnationalized every day and it affects the industrialized nations as much as the developing countries.

The new UNCTAD has to be the fruit of a commitment by all those present here. The industrialized nations have to put into practice the economic policies they are recommending. We note with concern that there is a widening gap between the advocacy of free world trade and the actual situation, which is characterized by proliferating trade barriers. Protectionism, combined with enormous subsidy programmes, is shifting the developing nations away from the commodity markets that are their natural markets.

The challenges of the developing world are overwhelming. Action to combat poverty is a shared responsibility that has to be assumed without respite.

It is frequently said that the development of markets and democracy go hand in hand. What is now needed is an international organization that will negotiate and establish a balance between efficiency and social justice, two economic concepts which are equivalent in political terms to equality and freedom. This is the role that UNCTAD should play and its future depends on the concrete solutions it finds for these challenges.

We have little time and a great deal of hard work to do. I urge you to be disciplined, persevering and constructive. Colombia would like the great efforts it has made to organize the Conference properly to be matched by the success of the meeting and the strengthening of an organization with new objectives, so that it may once again become the major forum for the discussion of topics relating to development, that is, the depositary of the hopes of all of mankind.

3. Statement by Mr. K.K.S. Dadzie, Secretary-General of UNCTAD [e]

May I say at this formal opening event how gratified all of us are at the prospect of working under your able leadership, Mr. President of the Conference, at the eighth session of the United Nations Conference on Trade and Development. Your election is both a tribute to the Republic of Colombia and a measure of the esteem that you enjoy throughout the international community. You can count on the full support of my colleagues and myself in discharging your duties.

We are also greatly honoured by the attendance of the Honourable Dr. Bernard T. Chidzero, Senior Minister of Finance, Economic Planning and Development of Zimbabwe, and President of UNCTAD VII, to open the present session. I extend to him our warmest thanks.

I take this opportunity to express profound appreciation to His Excellency President César Gaviria Trujillo, and to his Government, of the excellent arrangements that have been put in place for the Conference. Colombia's decision to host the Conference clearly exemplifies the major commitment to a better future that is embodied in President Gaviria's mandate: *bienvenidos al futuro*. UNCTAD is deeply grateful for the immense efforts the authorities have made on its behalf; we in the secretariat are indebted to them for the efficiency and the spirit of collaboration they brought to bear on the logistical preparations. I must in this regard make particular mention of the role played by the Colombian National Commission for UNCTAD VIII under the dynamic leadership of Ambassador Samuel Yohai, as well as by the Permanent Mission of Colombia in Geneva, ably led by H.E. Ambassador Eduardo Mestre Sarmiento.

I should also say how greatly obliged we are to the Secretary-General of the United Nations, Dr. Boutros Boutros-Ghali, for agreeing to address the inaugural ceremony. The significance of his presence as we begin the work of the Conference will not be lost upon this gathering: only a few days ago he recalled the special responsibility of the United Nations to continue to be an advocate of weak and poor peoples and countries, to pursue this objective with vigour as well as imagination, and to do so as an integral part of an overall strategy geared to benefit humanity as a whole. We are also glad that the Director-General for Development and International Economic Co-operation, Mr. Antoine Blanca, has joined us at this gathering.

The present Conference marks the return of UNCTAD to the region which produced its first Secretary-General, and intellectual forebear, Raúl Prebisch, and his distinguished successor, Manuel Pérez-Guerrero. The memory of these eminent sons of Latin America continues to deserve universal tribute, as does the important role that they played in the creation and shaping of UNCTAD. To them must go the credit, among many other contributions, for making the quadrennial sessions of UNCTAD the broadest high-level assemblies of economic policy makers in the intergovernmental calendar. All the national leaders and ministers who gather at these sessions subscribe to at least one common goal: to promote a constant improvement of the well-being of all their people and the full participation of all sections of the population in the development process. It is this goal that has inspired the representatives of so many States Members of UNCTAD to come together at the present Conference in the collective endeavour to attain a healthy, secure and equitable world economy.

In this 500th anniversary year of the voyage of Columbus, there can be few places more appropriate for UNCTAD VIII than Cartagena de Indias. Its traditions as a centre for trade with distant lands are relevant to our major concerns. The warmth and hospitality we are enjoying are special characteristics of the people of Cartagena and their authorities. A gracious city deriving its elegance from a rich cultural heritage, it remains the symbol of glory and liberty that Simón Bolívar extolled as "La Heroica". Germán Arciniegas, the great Colombian thinker, in turn described its shores as the cradle of all the hopes and despairs of Bolívar. It was home to yet another liberator, San Pedro Claver, whose life was devoted to the struggle for equity, justice and freedom.

These themes from the past have a special resonance today. The sound of freedom now reverberates throughout the globe. The quest for this fundamental human value - common to all societies - has won new life and aroused new hopes. Different perceptions of freedom may linger, but what matters is the acceptance of democratic rules and understandings which permit nations and people, weak and strong, to share a common house in mutual respect and solidarity. Only then will freedom be secure, for freedom is not the fruit of a single act - however heroic; it is a never-ending project handed on from generation to generation.

A free world is one in which people everywhere can enjoy their rights and responsibly pursue their aims and aspirations, individually and collectively. Freedom is unsustainable if one group of people or societies promote it among themselves while denying the opportunity to others. Freedom is indivisible; it demands participation; it must be shared in a free world. It can be fragile, for people living in poverty and deprivation are not really free to choose, to innovate. A free world calls for access by all to standards of living supportive of human dignity and creativity, and tempered by respect for the needs of future generations.

A free world is one world, built and maintained in a vast multilateral enterprise of co-operative governance, which will motivate people, firms and governments to work together towards common development goals. It requires nothing less than a leap of courage and imagination, well beyond the present level of achievement.

Freedom is, of course, a goal of the United Nations Charter. It can be the foundation of a just and dynamic world order. To build such an order governments must show the way in wisdom and in harmony. In this enterprise, the United Nations Organization, faithful to its ideals while adapting to changing realities, is their instrument and must be their guide. Deriving new vitality from the Conference, UNCTAD can be a vital building-block in this noble construction, promoting strong commitment to a vigorous partnership for development and an equitable future for all.

4. Statement by Mr. Abdulhossein Vahaji, Minister of Trade of the Islamic Republic of Iran, in his capacity as President of the Seventh Ministerial Meeting of the Group of 77 f/

I have the honour, in my capacity as the President of the Seventh Ministerial Meeting of the Group of 77, to present the Tehran Final Documents (TD/356) to the eighth session of the United Nations Conference on Trade and Development.

The Ministers of the Group of 77 met in Tehran in November 1991. His Excellency Mr. Ali Akbar Hashemi Rafsanjani, the President of the Islamic Republic of Iran, inaugurated the ministerial phase of the Meeting.

I have no doubt that the Tehran Meeting signalled a new and a major departure in the history of the Group of 77, of UNCTAD and of the North-South dialogue. The fundamental message to come out of it was the call to the developed countries to join the developing world in a new partnership for development. This must be achieved through a pragmatic and realistic dialogue, which should be non-confrontational and yet frank, and above all transparent.

In addition to China, which traditionally attends the Ministerial Meetings of the Group of 77 in preparation for UNCTAD Conferences, we had the pleasure of the presence of a number of representatives from both OECD and Eastern and Central European countries who were special invitees of the Tehran Conference. Their participation provided them with the opportunity of appreciating, first hand, the seriousness with which the developing countries have worked in preparing their position for the Conference. Thus they were able to understand better the problems, concerns and aspirations of these countries, as reflected in the Tehran Final Documents. In addition to participating as observers in the Plenary sessions, they had the opportunity to address the Ministers of the Group of 77 and to outline their own views and concerns in connection with the issues under consideration at UNCTAD VIII. They also participated in a Round Table Interaction with members of the Group of 77. This we believe was not only a step forward in strengthening cooperation among different groups and countries in UNCTAD, but a clear signal of the openness of the Group of 77 for a frank and constructive interchange with their development partners. We sincerely hope that those guests specially invited to participate in the Tehran Meeting will share with others in Cartagena the message of partnership and cooperation, as well as the willingness of the members of the Group of 77 to assume their own responsibilities in addressing the development problematique.

The aim of the dialogue we wish to pursue under the Tehran Declaration is to find not facile consensus in words, but genuine concrete agreements that can be implemented. Its basis should be the recognition by the developing countries of their primary responsibility for their own development and by the developed countries of their obligation to provide a favourable external environment, not least through abiding by the agreed multilateral rules of the game anchored in the respect of competition, open markets, equity and fair play. The driving force for the dialogue should be the shared awareness that the main challenge faced by the international community in the post-Cold War world is the development challenge. The international community cannot afford to allow the crumbling walls between East and West to be replaced by the erection of new walls between the developed North and the developing South.

The Tehran Meeting concluded in the adoption of the "Tehran Final Documents". These include the Tehran Declaration entitled "Towards New Partnership for Development", the substantive platform of the Group of 77 for international cooperation, a statement of Ministers on economic cooperation among developing countries, a Ministerial declaration on the Uruguay Round of MTNs, a resolution on assistance to the Palestinian people and other decisions.

The Tehran Declaration stresses that the profound changes that are taking place in the global political environment, in particular the end of the Cold War, the improved prospects for disarmament and the advance of human rights, can usher in a new era of international cooperation and global partnership to enhance world peace and security. However, peace is indivisible. Achieving durable global peace and security requires the freeing of all peoples and nations from poverty, hunger and underdevelopment. The rapid change that is taking place in the world economy, including the technological revolution, while giving rise to difficult challenges to both the developing and the developed countries, also offers opportunities for bridging the gap between the North and the South and strengthening international economic cooperation for development. The call for a new international order should provide an opportunity for the international community to strive for a revival of multilateralism and for placing the issue of development at the top of the international agenda for the 1990s.

In the context of the changing global political and economic environment, the Declaration outlines the main challenges for developing and developed countries, and it underlines the need to revitalize the development dialogue and to strengthen the effectiveness and relevance of UNCTAD in international and national decision making. The Declaration calls for the adoption of an action-oriented work programme for international cooperation and for revitalizing UNCTAD's role as a universal forum of negotiation, and considers it necessary to introduce changes in the structures of the intergovernmental machinery and methods of work.

Against this background, the substantive platform of the Group of 77 for international cooperation stresses that this Conference should treat the issues on its agenda in an integrated and comprehensive manner and to provide for solid, operational mechanisms to ensure the effective implementation of the decisions taken by it. With this objective in mind, the platform outlines specific proposals on policies and measures for international cooperation in the areas or resources for development, international trade, technology, services and commodities. These proposals focus on:

- Halting and rolling back of all forms of protectionism;

- Seeking a durable solution to the external debt crisis and in that context wider implementation and extension of the principle of debt and debt service reduction;

- Reducing international real interest rates;

- External resource requirements for structural adjustment and the policy reform efforts of developing countries;

- Directing part of the resources to be released from the disarmament process to development;

- Financing environmental protection;

- Strengthening the multilateral trading system, and improving market access in developed countries for the exports of developing countries;

- Issues related to trade and environment;

- Strengthening the technological capabilities of developing countries;

- Maximizing the contribution of the services sectors to the development of developing countries;

- Enhancing the contribution of the commodity sector to the development of commodity-dependent economies.

The platform also calls upon the international community to implement the Programme of Action for the Least Developed Countries for the 1990s, fully and expeditiously. In this context, it proposes that developed countries should provide adequate support to complement the domestic efforts and policies of the least developed countries within the framework of the Programme of Action.

Since it was anticipated that one major focus of our discussions here would be on adapting UNCTAD as an institution to a changing international economic and political environment, the platform emphasized the need for greater flexibility in the functioning, methods of work and mechanisms of negotiation to enable the organization to respond to the fluid realities of the contemporary global context.

Another major outcome of the Tehran Meeting is the statement of Ministers on economic cooperation among developing countries. The statement underlines the need to intensify efforts to revitalize and strengthen existing mechanisms of economic and technical cooperation among developing countries. It identifies the priorities for future activities to promote economic cooperation among the developing countries in the field of trade, monetary and financial cooperation and regional and subregional economic integration among developing countries.

The Tehran Final Documents were the basis on which the Group of 77 entered into a dialogue with our partners at the seventeenth special session of the Board in preparation for the Conference. The pre-negotations in Geneva reflected the effective, pragmatic and realistic response of Tehran to the changing world economic environment and to the challenges and potentials of the 1990s.

The Group of 77 is ready to move forward and enter into a fruitful and constructive dialogue with our partners. We are confident that, with mutual accommodation and understanding, success will be the result of our endeavours and that we will be able to respond to this historic occasion presented by UNCTAD VIII to place international economic cooperation and development at the centre of the international agenda. It is our duty and responsibility to see to it that the hopes and aspirations placed on this important event are realized.

Let me, on behalf of the Group of 77, the 128 member developing countries, express our gratitude and deep appreciation to the people and Government of Colombia for hosting UNCTAD VIII and making it possible for us to meet here and chart a new partnership for development.

C. Statement made to the Conference by Mr. K.K.S. Dadzie, Secretary-General of UNCTAD, at the 223rd plenary meeting on 10 February 1992 g/

The road to Cartagena has been long and difficult but it has been well worth the effort. The preparatory process that Governments and the secretariat undertook more than a year ago, with the participation of a variety of non-governmental actors and experts, has borne fruit. It has clarified the issues for consideration at the Conference, enhanced common perceptions in several key areas, and generated many new perspectives and constructive ideas. It has brought out the need to adapt the structures and operations of UNCTAD to the new realities and to enhance its responsiveness to the diversified interests of all its members. Taken as a whole, the preparatory process represents the prelude to what, I am confident, will be a major turning point in the history of UNCTAD.

UNCTAD has already undergone considerable change in approaches, not least in anticipation of this Conference. For the first time within the institution, the agenda expressly requires the Conference, in the context of action towards a healthy, secure and equitable world economy, to address not simply the international, but also the national dimensions of the development problematique. It envisages as the starting point for the work of the Conference an evaluation of the challenges which the profound changes of the past several years imply for trade and development in an increasingly interdependent world economy. It gives a special focus to good management at both the national and international levels to achieve the proper mobilization, allocation and use of resources and a more favourable international economic environment. It implicitly recognizes the importance, for broad-based development, of democratic political structures and respect for human rights. And it is permeated by the theme of sustainable development as the touchstone for integrating environmental considerations into economic policy. While much remains to be done, these elements reflect the readiness of the institution to adapt to changes in the perceptions of member Governments, as well as to the realities of the rapidly evolving international economic and political environment.

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The conjunction of challenges and opportunities that the world community now faces is without precedent. National and international responses to it will determine the outcome of the common endeavour to build a world economy that is at once healthy, secure and equitable. Prospects have opened up for constructing a world order founded on peace, cooperation and the betterment of the human condition. But they are fraught with a multitude of serious problems and risks calling for appropriate initiatives. Several positive conditions have come into being for revitalizing the development process. The means of overcoming many of the obstacles to this process are within reach. Yet, while several developing countries have prospered, long-standing problems of stagnation and poverty show few signs of abatement in most of the developing world, and in some countries have reached crisis proportions.

The marked easing of tension among the major powers has begun to lend substance to the age-old vision of beating swords into ploughshares. In industrial countries, the disarmament process would help release resources for easing global economic strains and for supporting the development process. Developing countries too should also be better able to redeploy much of the resources currently devoted to military expenditures to raising domestic living standards. Moreover, the broad tide of political and economic reform and respect for human rights in many parts of the world has gathered pace. This evolution has fuelled expectations that Governments will now act with resolve to broaden access to opportunities at both the national and international levels for all peoples to attain economic and social well-being.

At the same time, many uncertainties remain. Political instability and tension persist in a number of regions. The dramatic changes in East-West relations have raised questions in developing countries about their place in the emerging configuration of political and economic power. Economic imbalances continue to be a source of unpredictability. And there is disquiet that single-minded support for the reform processes in Central and Eastern Europe might, despite the longer-term benefits they will bring to the world economy, blunt the impetus to multilateral action on poverty and underdevelopment in the developing world.

At the root of many of the structural changes in the world economy is technological progress, including advances in micro-electronics and communications, new materials, bio-technology and, prospectively, renewable energy. Knowledge-intensive processes have become increasingly important, as has the services sector in the advanced economies. These advances could with adequate diffusion and adaptation, accelerate industrial development in the developing world and help revitalize the global economy. But they are also serving to erode the traditional comparative advantage of developing countries in several areas and adversely affecting the demand for a number of their export products.

Technological change has also speeded up the internationalization of several markets. Corporate decisions on sourcing, production and marketing are increasingly taken within a global frame of reference. The interplay between trade, investment, technology and services, as well as their financial underpinning, has increased in density, giving additional impulse to the growth of interdependence. Tighter linkages have come into being among economies and between key areas of economic policy. The interactions between the domestic policies of Governments, internationally accepted rules and disciplines, and the operation of market processes, have become stronger and more diversified. These phenomena have tended to erode the capacity of Governments to determine the course of economic events and have magnified the constraints on the scope for autonomous policy-making in developing countries.

The past few years have seen a resurgence of interest in integration arrangements centering on common markets, customs unions or free trade areas. Groupings aimed at enhancing economic cooperation among developing countries are being strengthened. Large economic spaces involving key trading partners have emerged, which could contribute to trade liberalization and, through their growth effects, impart new dynamism to the multilateral trading system. Yet, if managed without due regard to the principles, rules and disciplines of the system, they could become inward-looking, shift the burden of adjustment to third parties, cause trade diversion and other problems for developing-country exporters and increase the potential for trade disputes and tensions.

Population growth and fertility, compounded by attendant changes in the age structure of populations, are increasingly critical issues for the sustainability of development. They are creating serious problems of savings mobilization and resource allocation, and have increased the pressures on employment creation, education and training and social services in many developing countries. International migration too has become a matter of increasing concern in both originating and receiving countries. Notwithstanding current initiatives in both groups of countries, the central question in the long run remains whether the international community can mobilize the necessary political commitment to reduce the motivation to emigrate by speeding up sustainable development worldwide.

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These challenges and potentials should be seen against the backdrop of the development legacy of the 1980s. This legacy includes rapid growth in a number of developing countries but it also encompasses, in most others, continuing disarray in the development process, persistent poverty and deprivation, and the uneven performance of current patterns of structural adjustment effort. While inadequate domestic policies must be held partly responsible, the hostile economic environment of the 1980s was an important factor. As a result, these countries continue to experience, in varying combinations, difficulties in expanding and diversifying their production base, reducing commodity dependence, building financial, technological and transport capacities, coping with the debt burden and its consequences, as well as with adverse trends in resource flows, and pursuing adjustment programmes effectively oriented to growth and development.

At the level of international economic cooperation, however, some hopeful signs have begun to emerge. Various texts recently adopted by the General Assembly and by the Trade and Development Board suggest that the retreat from multilateralism has slowed. Development is increasingly seen as a people-centred and equitable process whose ultimate goal must be the improvement of the human condition. Political arrangements are regarded as viable and important for the development process to the extent that they are based on consent, and the observance of human rights is widely accepted as a source of creativity, innovation and initiative. There is a convergence of views on the necessity of supportive frameworks of broad economic policy, both national and international.

Reliance on market forces and competitiveness, and the fostering of entrepreneurial initiative, have become common features of the pursuit of economic efficiency. The sharp rise in the level of concern for the health of the global environment and for the long-term security of the planet's ecology base has underscored the imperative of sustainable development. Concerted efforts are accordingly under way to develop approaches to growth which would at once eradicate poverty and promote ecologically sound and sustainable development. Finally, a strong consensus has emerged as to the high priority that must be accorded to such aspects of the development process as the eradication of poverty and hunger, human resources and institutional development, and improved population policies, as well as the protection of the environment.

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Building on these common perceptions so as to help reactivate growth and development is the formidable task facing the Conference. Developing countries of course have the primary responsibility for their own development. There is no substitute for sustained national policies aimed at liberating and mobilizing the latent energies and impulses for development within developing countries, at promoting efficiency in the allocation and use of resources, and at taking advantage of the opportunities for trade, investment and technological progress provided by the changing global environment.

The quality of public management is inseparable from the success of development efforts. Good management encompasses the sum total of governmental activities that define the framework, limits and rules of the game for the operation of markets and ensuring a healthy climate for economic activity. One dimension is the establishment of a predictable framework for private sector activity, including the improvement of infrastructures; the pursuit of sound macroeconomic policies; and, putting in place clear legal and regulatory frameworks together with transparent processes for rule-setting and efficient institutions that ensure sound public administration, foster accountability and eliminate corruption. Another dimension has to do with the importance of evolving arrangements for the resolution of conflicts among divergent economic interests, and of appropriate policies for the correction of market deficiencies. And yet another concerns the type, level and mechanisms of direct governmental participation in economic activity. The diversity of country situations will, of course, remain a major influence on choices regarding the balance to be maintained between the public and private enterprise sectors; but such governmental interventions should, as far as possible, be based on calculations of relative efficiency and work with and through market forces.

The international aspects of good management are no less crucial. The efforts of developing countries to improve their domestic economic policy framework will not have the desired outcome without a supportive international economic environment. For one thing, world economic stability and growth depend on higher levels of international cooperation for the management of interdependence. Interdependence could become a consistent vehicle of growth and development, cumulating benefits for all in a positive sum game, if policies, particularly those of the economically powerful, were formulated in a mutually reinforcing fashion to favour constructive adjustment and adaptation in the world economy. For another, as stressed in the Final Act of UNCTAD VII, stronger cooperative efforts are needed to improve the systems, structures and arrangements that have thus far underpinned international economic relations, particularly as regards trade, money and finance. An important condition in this context would be more effective participation by developing countries in intergovernmental decision making concerning the evolution and functioning of the international monetary and financial systems.

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Against this background, the Conference is called upon to consider a broad range of specific policy issues. These issues have acquired a special salience from recent developments. On the eve of the Conference, much of the world economy finds itself under acute stress. For the first time in more than four decades, aggregate world output actually fell in 1991 and the prospects for significant improvement this year are unclear. The economic experience of various groups of countries has varied significantly. Here in Latin America, after years of deteriorating economic conditions, some progress has occurred in overcoming the interrelated problems of over-indebtedness, macroeconomic instability and wholly inadequate growth. But the costs in terms of social well-being and political cohesion have often been considerable. In Asia, growth generally has weakened, although overall it remains strong in comparison to other regions. In Africa, some progress has been achieved, but the weight of excessive indebtedness and weak export prices remains onerous: prospects on the whole remain bleak, despite considerable policy effort in many countries, and there is little reason to expect any sustained advance in per capita output.

The economies in transition are currently experiencing a sharp overall drop in output, although here too experience varies considerably from country to country. Inappropriate economic organization in the past and largely unavoidable costs of transition underly this outcome. There are encouraging signs in some of them that these problems are in the process of being overcome. In others, however, transition is at an initial stage and the road ahead will be extremely difficult.

Industrial market economies are presently performing poorly, with several amongst them in recession. In part, the current downturn is to be explained by cyclical phenomena of the sort that have characterized these economies for decades. There is increasing awareness, however, that a number of their economic difficulties are more deep-seated and will not be overcome in short order. Some of these economies allowed large imbalances in trade and finance to accumulate during the 1980s, with the result that the scope for pursuing remedial policies is now very much reduced. Moreover, excessive borrowing during the decade has in some countries created an overhang in internal indebtedness which, together with declines in asset prices and general financial uncertainty, is depressing expenditure. These same factors have also impaired the ability of the financial system to create credit. Thus, as regards both the demand for goods and the supply of credit, forces are at work that will constrain recovery in the near term.

* * *

Resources for development represent one of the most vital of the interrelated policy areas to be considered by the Conference. The savings efforts of developing countries will remain the primary source of development finance and there is considerable room in many of these countries for improvement in the mobilization, allocation and use of savings. Efforts to eliminate macroeconomic instability, unpredictability and uncertainties in the rules of the game must be pursued, as must public sector reform, including greater efficiency and equity in taxation. Developing countries will nevertheless require increasing amounts of external financing to supplement their own efforts. As private financial flows are unlikely to revive on a major scale in the coming years, these countries will require more vigorous debt relief and stronger mobilization of official external resources. For most poorer developing countries, the aid effort, through both bilateral and multilateral programmes, will remain of central importance. For the heavily indebted developing countries, a durable solution to the debt problem is a prerequisite for increased access to financial flows.

In the area of trade, policy issues in the 1990s regarding market access conditions are likely to be influenced by the results of the Uruguay Round in several respects. A positive and balanced outcome of the Uruguay Round should include improved overall market access for developing countries, together with strengthened multilateral principles, rules and disciplines which impart greater openness and predictability to the trading system and take the development dimension fully into account. Such an outcome entails specific tariff concessions and non-tariff liberalization, especially in sectors such as agriculture, textiles and clothing, tropical products and natural resource-based products and the elimination of "grey area" measures. It should also ensure that any agreement on the trade-related aspects of intellectual property rights serves to facilitate the access of developing countries to technology and their pursuit of public policy and social objectives. Furthermore, the multilateral framework on trade in services being negotiated in the Uruguay Round should assist in enhancing the international competitiveness of developing country firms and in enabling them to gain effective access to world markets.

As regards commodities, the challenge for the Conference is to work out the premises for a strengthened international commodity policy which takes fully into account the structural and other changes that have taken place over the years. Such a policy must be aimed at achieving more open and healthy commodity markets and at ensuring that commodities contribute effectively to the growth and development of developing countries. It must foster conditions which would facilitate a balance between the supply of, and demand for, individual commodities at improved price levels, optimize the contribution of the commodity sector to diversification efforts, and promote the environmentally sound management of natural resources in the interest of sustainable development. Furthermore, producer-consumer cooperation at various levels has a vital role to play in this effort, but support, including financial and technical assistance from international institutions, will be essential. Producer cooperation is indispensable both for producer-consumer cooperation as well as for co-ordinated producer actions to improve the demand/supply situation and to promote developmental measures.

In the area of technology, the economic dynamism that most developing countries need to achieve requires a supportive national and international policy environment. Strengthening endogenous capacities to absorb, manage and benefit from technological advance is a critical factor. But such efforts will have to be buttressed by measures and mechanisms to promote technology flows to developing countries and to facilitate their access to technology, including crucial new and advanced technologies. Reinforced cooperation both between developed and developing countries and among developing countries could contribute significantly to the development of endogenous capacities and to technology transfers. Collaborative arrangements, including at the enterprise level, on research and development activities would have to be extended through such means as human resource development, joint research and innovation centres, and technological information exchanges. Support for technological infrastructure-building, as well as technical cooperation, remains essential.

The services sector has strategic implications for vital national political interests and for growth and development. The strengthening of the services sectors of developing countries must include a special focus, both on human capital formation and on the modernization of infrastructures, particularly telecommunications. National strategies in this area should also include the development of indigenous producer services and incentives for transnational corporations to contribute to development objectives such as the transfer of technology and improving access to information networks and distribution channels. In addition to the liberalization of trade, international cooperation on a variety of other issues in the area of services will be required to assist developing countries to secure a significant portion of the rapidly increasing component of service value added in the world economy.

* * *

In addition to these substantive issues, the Conference will also be addressing the important question of the institutional reform of UNCTAD. Over the past few years, a new sense of partnership for development, to which UNCTAD has made a major contribution, has progressively emerged. This evolution stems from the growing perception by countries of common interests and shared responsibilities and on the increasing convergence of policy perspectives on both appropriate domestic economic policies and the need for action to improve the international economic environment. While there is no lack of appreciation of the achievements of UNCTAD, Governments generally agree that the institution must be adapted and revitalized to enable it to seize the new opportunities that have come into being to enhance international cooperation for development. They also accept that the process of institutional adaptation should contribute to the exercise recently launched by the General Assembly on the restructuring of the economic and social sectors of the United Nations.

The preparatory work for the Conference has brought into focus a number of dimensions of this question that call for special attention. On the role of UNCTAD, the mandate contained in General Assembly resolution 1995 (XIX) and other texts is sufficiently broad and flexible to allow for such reorientations of work as may be required. It would be helpful, however, if a different approach were adopted to the organization of substantive activities: these should be set within the framework of a progressive sequence which begins with the identification of issues for careful and rigorous analytical work, involving conceptual innovation wherever possible, and founded on a systematic study of relevant national experiences and international policies. Such analytical work would then constitute the basis for reflection, deliberation and consensus-building, benefiting from inputs by external actors such as enterprises, the academic community, trade unions, and non-governmental organizations, as well as collaboration with other intergovernmental institutions.

Negotiations leading to implementable commitments, and launched with proper regard to the nature and maturity of the relevant issues, would be undertaken as the culmination of the process. The outcomes of such negotiations - be they agreed statements, recommendations or binding legal instruments - would have to be followed up through appropriate arrangements for monitoring and implementation. Technical cooperation activities, feeding into and deriving their impulses from substantive work, should also be strengthened.

The task of reorienting the substantive work of UNCTAD should also proceed from fresh approaches to long-standing trade and development questions, as well as from the definition of new and emerging issues in this field, to the treatment of which the institution can make a special contribution. Specific themes should be selected which could serve as foci for work in these areas. Such themes could include the new international partnership for development, global interdependence, paths to development, and ecologically sustainable development. The agenda of the Trade and Development Board should focus primarily on cross-sectoral issues.

Several options are available for improving the organizational effectiveness of the institution. The organization of the work of the Trade and Development Board should be reviewed, so as to enhance its impact on deliberations and negotiations in other forums, as well as on international economic relations. Likewise, an urgent effort is needed to rationalize and streamline the subsidiary machinery of the Board and to sharpen that machinery's focus on sectoral issues. In order to enrich the technical basis for policy discussion, specific issues requiring detailed analysis and reflection should first be subjected to in-depth exploration by mechanisms established for the purpose and involving the participation of relevant national experts.

Methods of work also call for greater flexibility in relation particularly to agenda setting and the planning and preparation of meetings. While Governments are of course free to decide how to join with others in the pursuit of common objectives, complementary mechanisms which would strengthen communications and interaction among delegations would be immensely useful. In addition, more effective use should be made of existing informal consultative procedures for the purpose of preparing and following up the work of the Board. The outcome of deliberative processes in the intergovernmental machinery need not take the form of resolutions, as such resolutions tend to reflect little more than the lowest common denominator of convergence.

Greater recourse should be had to agreed conclusions, assessments and summings-up by presiding officers, particularly where the issues require further exploration and building of common perceptions.

These options are only a sample of the possibilities available that merit examination. They should be seen as merely the beginning of a process of institutional renewal which will have to be pursued on a continuing basis after the Conference in the light of changing circumstances and requirements of member Governments. If properly carried forward, the process cannot but impart fresh vigour to the institution, and enable it to play with increased effectiveness the crucial role assigned to it by the General Assembly.

* * *

One final word. Over the past several years, policy-makers and entrepreneurs in all countries have had to contend with the difficult challenges posed alike by their domestic problems and the external environment. These challenges will not fade away in the near term. But if, as envisaged by its agenda, this Conference enables Governments to reach agreement on how best to take advantage of the major opportunities to which I have already alluded, the entire world community will benefit from the progress that will ensue towards a healthy, secure and equitable global economy.

Notes

a/ Initially circulated as TD/L.329.

b/ Initially circulated as TD/L.328.

c/ Initially circulated as TD/L.330.

d/ Initially circulated as TD/L.322.

e/ Initially circulated as TD/L.324.

f/ Initially circulated as TD/L.331.

g/ Initially circulated as TD/L.333.

Annex IV

MESSAGES RECEIVED BY THE CONFERENCE

Message from Mr. Soeharto, President of the Republic of Indonesia a/

On behalf of the Government and people of Indonesia, I have great pleasure in extending my warmest greetings and highest regards to all participants of this historic meeting.

The eighth session of the United Nations Conference on Trade and Development, being held in Cartagena de Indias, Colombia, is taking place at a challenging time. It provides the international community with a major occasion to address the challenges and opportunities which have emerged as a result of major changes in international political and economic relations. Political and economic reforms, as well as respect for democracy and human rights in many parts of the world, have gathered momentum. Altogether, this evolution has given rise to renewed hopes that Governments will forge a new global consensus and commitment to strengthen international cooperation with a view to revitalizing the development process in the developing countries.

Indonesia strongly believes that the social and economic development policies of developing countries are the responsibility of those countries themselves. These policies, however, can only succeed within a favourable global environment, for which the developed countries at present assume a major responsibility. The management of the world economy is presently vested in a small group of major industrial countries. There is therefore an urgent need for new global policy coordination which should be truly participatory and founded on equality among nations so as to reflect international democracy.

UNCTAD as an international forum has made and continues to make important contributions in addressing the systemic deficiencies in the current operation of the world economy and in promoting democratization in international economic relations.

We believe therefore that the eighth session of UNCTAD should play a major role in providing fresh ideas and direction for the international community to effectively respond to challenges and opportunities. It is imperative that the present session of UNCTAD leads to the institutional and operational revitalization of UNCTAD and restores the relevance of the role of the organization in the formulation of an international consensus on development. UNCTAD VIII needs to adopt action-oriented policies and measures to revitalize the world economy. In order to achieve these objectives, I would appeal to all parties to join in a new partnership for development, to relinquish the past and embrace the changing reality.

In conclusion I would like to express my deep appreciation for the efforts made by the Government and people of the Republic of Colombia for hosting this meeting and to express warm wishes for its success.

Message from Mr. Fidel Castro Ruz, President of the Council of State and of the Government of the Republic of Cuba b/

I would like, through you, to greet the eighth session of the United Nations Conference on Trade and Development, in which the peoples of the third world place so many hopes, and, at the same time, to express the appreciation of the Government of the Republic of Cuba to the Government of the Republic of Colombia for hosting this event and, in particular, to the inhabitants of hospitable Cartagena de Indias, which the great Latin America leader, Simón Bolívar, called the "heroic city" because of the sacrifices and the contribution it made in the struggle for independence of the peoples of Latin America.

This Conference is being held at a historic time when the far-reaching changes taking place in the international situation may strengthen aspirations for a world with a sounder, more equitable and more predictable economy. Unfortunately, however, it is ethically and morally unacceptable that political and social instability should exist in many developing countries as the necessary result of chronic economic recession, the increase in poverty, unemployment and the deterioration of the quality of life because of the lack of resources needed to implement development plans to halt these processes. Although responsibility for national development plans lies with each country, the international community has a supporting role to play in this noble undertaking.

We are of the opinion that the eighth session of the Conference offers an opportunity for the start of a constructive and fruitful dialogue between countries with different levels of economic development in order to bring about a world of peace, cooperation and improvements in the human condition on the basis of full respect for the sovereignty of all countries, without prejudice to the economic and social option they have chosen for their development.

The desire to revitalize UNCTAD by strengthening its basic functions of global analysis, policy coordination, negotiation and follow-up of agreements and technical support to developing countries would be enough in itself to justify efforts by this Conference to preserve this unique universal forum, which considers the interrelated problems of trade, finance and technology from a development-oriented point of view.

We shall have to go on looking for satisfactory solutions to the developing countries' problems of debt payment, the transfer of resources, the steady decline in commodity prices, the worsening of trade relations, market access and the transfer of technology, for, without them, there can be no development or equity in international relations.

Message from Mr. Li Peng, Premier of the State Council of the People's Republic of China c/

On the occasion of the convocation of the eighth session of the United Nations Conference on Trade and Development, I wish to extend, on behalf of the Chinese Government and people, our warm congratulations to the Conference.

UNCTAD VIII, being held at a time when major changes have occurred in the world pattern, is an important international conference in the field of the international economy at the turn of the 1990s.

A serious imbalance continues to exist in the development of the present world economy, and the gap between North and South is widening. The vast number of developing countries are faced with various difficulties and challenges. The unifying theme on the agenda for this session - namely, strengthening national and international action and multilateral cooperation for a secure, healthy and equitable world economy - reflects the common interests of all countries in the world, and the session is of great significance in promoting the North-South dialogue and revitalizing the world economy, especially that of the developing countries.

UNCTAD, as a forum for discussing and solving trade and development issues within the framework of the United Nations, has played an important role in strengthening multilateral cooperation and promoting development of the economy and trade. In the present situation, it is of particular importance for UNCTAD to strengthen its functions and play a greater role. It is our hope that UNCTAD VIII will, by adopting practical and effective measures, make greater contributions to the settlement of the pressing problems confronting the developing countries, as well as to the promotion of their economic development, the revitalization of the overall world economy and the expansion of international trade.

I wish the Conference a complete success.

Message from His Holiness Pope John Paul II d/

The new session of the United Nations Conference on Trade and Development is due to examine how to promote "a healthy, secure and equitable world economy". Although this topic has been addressed many times in the past, it should be approached today in an entirely new spirit, for profound transformations have affected the world over the past five years.

The political upheavals that have occurred in recent years have already begun to produce their effects in the spheres of production and trade, with which your proceedings deal. You are striving to assess them more accurately and to get them under control. Recent events have shown that the dream of planning economies to the point of stifling private initiative cannot be realized, because it is detrimental to the fundamental right of peoples to be "the principal architects of their economic and social progress and to bear prime responsibility for it" (*Pacem in terris*, III). However, we should not see in current developments the crisis of Marxism alone, for Marxism "does not eliminate from the world the situations of injustice and oppression which Marxism exploited and from which it drew its force" (*Centesimus annus*, 26).

The disarray of the planned economies has aggravated the general crisis affecting international trade, to which your Conference has been striving to react for more than 25 years, and this makes it even more necessary to apply new forms of solidarity. But there is a second pitfall here. The links to be established cannot respond to the imperatives of economic development alone, or ignore the social sector. Many current tensions stem from the failure of this era which has not yet found a way to combine economic objectives and social objectives.

A major change has occurred, in recent years, in the very approach to development, its terms and objectives. The right to development is becoming a principle governing international relations. It is true that no humanist definition of this right is as yet accepted by all; but is it not one of the purposes of your meetings to open up new horizons to those who for professional reasons respond first of all to the quantified data of international trade? In this way you are preparing leaders to incorporate the social aspects of the economy into their forecasts and calculations.

The obstacles that make it difficult to integrate social factors into international trade and make it into an opportunity for human progress for the most deprived peoples must be removed. Here a far-reaching change in attitudes is required, since it is necessary for men of our time to adopt a different approach. This is in the interest of all. And it is a precondition for peace. Whether in a national economy or in international economic relations, experience shows that a regime which does not set itself the aim of effectively enhancing the material welfare of individuals at the same time as their spiritual development cannot be maintained indefinitely. A meeting such as that taking place in Cartagena must endeavour to convince politicians and public opinion, before which they are answerable for their actions, that the interests of individuals and nations prevail over those of the economy, if the surplus power in the universe is to be placed at the service of man and of peace.

The poverty suffered by some peoples, and the lack of security which results from it, are facts of such gravity that they demand an immediate reaction from all those in a position to react. As early as 1967 Paul VI noted the existence of "situations ... involving excessive disparities and ... excessive inequality in real freedoms" between peoples. And he added: "Social justice demands that international trade, if it is to be human and moral, must restore at least equality of opportunity between partners" (Populorum progressio, 61). These problems have yet to be resolved. While a few countries have succeeded in lifting themselves to the level reached by the old industrial countries, how many others have been abandoned to their extreme poverty! It is immoral to ignore the barrier of poverty separating the well-off from the have-nots, for all men are equal in dignity; they must secure the means of living in truth, freedom and justice; they have the right to count on the solidarity of others. It is an illusion to believe that it will be possible to leave millions of men in despair and that one day they will not discover violence as a means of making themselves heard.

Much still remains to be done to achieve greater equity in international relations. But, for nations, this march will appear to be one more chimera if they do not perceive the resolve of the richest and most powerful to work tirelessly to seek the surest paths of justice and solidarity. It is to the honour of UNCTAD that it has always insisted on asserting the ethical dimension of the issues on which its proceedings have focused.

In full awareness of the challenge facing the Conference, I commit your work to the Lord of history, who "will judge the world with justice and peoples with righteousness" (Psalms 98, 9).

Mr. Secretary-General, I convey my best wishes for the discharge of your functions during the eighth session of this Conference. I would be grateful if you would assure the delegates of the many nations participating in it of my great interest in their efforts directed towards the harmonious development of all the peoples who go to make up the unique human family.

Notes

[a] Initially circulated as TD/L.321.

[b] Initially circulated as TD/L.323.

[c] Initially circulated as TD/L.326.

[d] Initially circulated as TD/L.332.

Annex V

TEHRAN FINAL DOCUMENTS*

Final documents adopted by the Seventh Ministerial Meeting of the Group of 77, held in Tehran, Islamic Republic of Iran, from 16 to 23 November 1991

(TD/356)

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[*] The text of the Tehran Final Documents will be reproduced in the printed *Proceedings* of the Conference.

Annex VI

DOCUMENTS SUBMITTED BY REGIONAL GROUPS, CHINA AND AUSTRALIA*

1. "Trade, development and the new international challenges: towards a programme of action for strengthened multilateral cooperation and sustainable development - Elements of a contribution to UNCTAD VIII" - Communication received from the Permanent Mission of Italy on behalf of the States members of Group B (TD/355)

2. "Basic considerations on issues on the agenda of UNCTAD VIII" - Position paper submitted by China (TD/357)

3. "Nordic contribution to the discussion on the revitalization of UNCTAD" - text circulated to the Trade and Development Board at the first part of its seventeenth special session at the request of Denmark, Finland, Norway and Sweden (TD/B(S-XVII)/CRP.1)

4. "Australia's approach to institutional issues and the role of UNCTAD" - text circulated to the Trade and Development Board at the first part of its seventeenth special session at the request of the Permanent Representative of Australia (TD/B(S-XVII)/CRP.3)

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* These documents will be reproduced in the printed _Proceedings_ of the Conference.

Annex VII

REPORT OF THE CREDENTIALS COMMITTEE

1. At its 222nd plenary meeting, on 10 February 1992, the United Nations Conference on Trade and Development, in accordance with rule 14 of its rules of procedure, appointed a Credentials Committee consisting of the following member States: Belgium, Belize, Chile, China, Lesotho, Russian Federation, Singapore, Togo and the United States of America.

2. The Credentials Committee met on 20 February 1992.

3. Mr. M.W. Dhaene (Belgium) was unanimously elected Chairman of the Committee.

4. The UNCTAD secretariat informed the Committee of the status of credentials of representatives as at 20 February 1992. Credentials issued by the Head of State or Government or by the Minister of Foreign Affairs, as provided for in rule 13 of the rules of procedure of the Conference, had been submitted by 107 States. The appointment of the representatives of 11 States had been communicated to the Secretary-General of UNCTAD by means of a letter or a note verbale or a cable from the Permanent Mission in Geneva or New York or the Embassy in Bogotá. The appointment of the representatives of two States had been submitted to the Secretary-General of UNCTAD by means of a communication from another authority. The representatives of six States had not so far submitted any communication.

5. The Chairman proposed that the Committee should decide to accept the credentials of the representatives of the member States referred to in paragraph 4. In connection with the credentials which had not yet been submitted in due form, the Chairman proposed that the Committee accept the assurances given by the representatives concerned, on the understanding that their credentials, in conformity with rule 13 of the rules of procedure of the Conference, would be submitted promptly to the Secretary-General of UNCTAD. There was no objection to this proposal.

6. The Chairman then proposed the following draft resolution for adoption by the Committee:

> "*The Credentials Committee*
>
> "*Having examined* the credentials of the representatives of the eighth session of the United Nations Conference on Trade and Development,
>
> "*Accepts* the credentials of the representatives to the eighth session of the United Nations Conference on Trade and Development and recommends to the Conference that it approve the report of the Credentials Committee."

7. The Committee adopted the above draft resolution without a vote.

8. The Chairman then proposed that the Committee should recommend to the Conference the adoption of the following draft resolution:

"CREDENTIALS OF REPRESENTATIVES TO THE EIGHTH SESSION OF THE CONFERENCE

"The United Nations Conference on Trade and Development

"Approves the report of the Credentials Committee."

9. The Committee endorsed the above proposal without a vote.

10. In light of the foregoing, the present report is submitted to the Conference.

Annex VIII

CHECKLIST OF DOCUMENTS

Document No.	Title	Agenda item
	A. Documents in the general series	
TD/353 and Add.1	Provisional agenda for the eighth session of the United Nations Conference on Trade and Development	6
TD/354/Rev.1	Accelerating the development process: Challenges for national and international policies in the 1990s Report by the Secretary-General of UNCTAD to UNCTAD VIII a/	8
TD/355	Trade, development and the new international challenges: towards a programme of action for strengthened multilateral cooperation and sustainable development - elements of a contribution to UNCTAD VIII Communication received from the Permanent Mission of Italy on behalf of the States members of Group B	8
TD/356	Seventh Ministerial Meeting of the Group of 77: Tehran Final Documents	8
TD/357	Basic considerations on issues on the agenda of UNCTAD VIII: Position paper submitted by China	8
TD/358	UNCTAD VIII - Analytical report by the UNCTAD secretariat to the Conference b/	8
TD/359	The Programme of Action for the Least Developed Countries for the 1990s: Report by the Secretary-General of UNCTAD	8
TD/360	Pre-Conference Meeting of Senior Officials	
TD/361	Other business: Report of the Trade and Development Board Note by the UNCTAD secretariat	9 (b)
TD/362	Communiqué of the Second Ministerial Meeting of the Least Developed Countries	
TD/363	Credentials of representatives to the Conference: report of the Credentials Committee	5 (b)

Document No.	Title	Agenda item
	B. Documents in the limited series	
TD/L.319 and Add.1-18 and Add.2/Supp.1	Draft report of the United Nations Conference on Trade and Development on its eighth session	10
TD/L.320 and Add.1-5	Substantive preparations for the eighth session of the United Nations Conference on Trade and Development	8
TD/L.321	Message received from His Excellency Mr. Soeharto, President of the Republic of Indonesia	
TD/L.322	Address by Dr. Juan Manuel Santos, Minister of Foreign Trade of the Republic of Colombia	
TD/L.323	Message received from Mr. Fidel Castro Ruz, President of the Council of State and of Government of the Republic of Cuba	
TD/L.324	Statement by Mr. K.K.S. Dadzie, Secretary-General of UNCTAD, at the 221st (opening) plenary meeting	
TD/L.325	Document submitted by the International Institute for Cotton	
TD/L.326	Message received from H.E. Mr. Li Peng, Premier of the State Council of the People's Republic of China	
TD/L.327	Document submitted by the International Trade Centre UNCTAD/GATT	
TD/L.328	Inaugural address by Dr. Cesar Gaviria Trujillo, President of the Republic of Colombia, at the inaugural ceremony on 8 February 1992	
TD/L.329	Statement by Mr Boutros Boutros-Ghali, Secretary-General of the United Nations, at the inaugural ceremony on 8 February 1992	
TD/L.330	Opening statement by Mr. B.T.G. Chidzero, Senior Minister of Finance, Economic Planning and Development of Zimbabwe, in his capacity as President of the Conference at its seventh session	

Document No.	Title	Agenda item
	B. Documents in the limited series (continued)	
TD/L.331	Statement by Mr. Abdulhossein Vahaji, Minister of Trade of the Islamic Republic of Iran, in his capacity as President of the Seventh Ministerial Meeting of the Group of 77, at the 222nd plenary meeting on 10 February 1992	
TD/L.332	Message received from His Holiness Pope John Paul II	
TD/L.333	Statement by Mr. K.K.S. Dadzie, Secretary-General of UNCTAD, to the eighth session of the Conference, 10 February 1992	
TD/L.334	Document submitted by the Commonwealth secretariat	
TD/355	Statement by Mr. K.K.S. Dadzie, Secretary-Geneal of UNCTAD, to the special meeting on least developed countries, 11 February 1992	
TD/L.336	Other business: Review of the calendar of meetings Note by the UNCTAD secretariat	9 (d)
TD/L.337	Assistance to the Palestinian people: draft resolution adopted by the Seventh Ministerial Meeting of the Group of 77 and submitted to the Conference by the Islamic Republic of Iran on behalf of the States members of the Group of 77	9
TD/L.338	Message addressed to the Summit for the Economic Advancement of Rural Women from the eighth session of the United Nations Conference on Trade and Development	
TD/L.339 and Corr.1	Strengthening national and international action and multilateral cooperation for a healthy, secure and equitable world economy: draft consolidated text for submission by the Main Committee	8
TD/L.340/Rev.1	Draft declaration submitted by the President of the eighth session of the Conference	8
TD/L.341/Rev.1	Message from the eighth session of UNCTAD to the United Nations Conference on Environment and Development (UNCED)	8

Document No.	Title	Agenda item
	B. Documents in the limited series (continued)	
TD/L.342	World Commodity Conference: draft submitted by the President of the Conference	
TD/L.343	Closing statement by H.E. Dr. Juan Manuel Santos, Minister of Foreign Trade of Colombia and President of the Conference, at the 239th (closing) plenary meeting on 25 February 1992	
TD/L.344	Statement by Mr. K.K.S. Dadzie, Secretary-General of UNCTAD, at the closure of UNCTAD VIII, Cartagena de Indias, 25 February 1992	
	C. Documents in the UNCTAD VIII series	
UNCTAD VIII/1	Informal encounter on national governance: The respective roles of the public and private sectors in promoting sustainable development (Caracas, Venezuela, 13-15 February 1991)	8
UNCTAD VIII/2	Informal encounter on international trade and the environment (Oslo, Norway, 28 February-1 March 1991)	8
UNCTAD VIII/3	Report of the proceedings of the round table on international commodity policies (Mowcow, Russian Federation, 20-24 May 1991)	8
UNCTAD VIII/4	Seminar on the promotion of cooperation between commodity producing countries (Abidjan, Côte d'Ivoire, 6-7 June 1991)	8
UNCTAD VIII/5	Informal encounter on international governance: trade in a globalizing world economy (Jakarta, Indonesia, 19-20 June 1991)	8
UNCTAD VIII/6	Workshop on UNCTAD in a changing political and economic environment (Santa Fé de Bogotá, Colombia, 24-26 August 1991)	8
UNCTAD VIII/7	Informal encounter on conditions of financing enterprise activities in developing countries and fostering their participation in world trade (Berlin, Germany, 31 October-1 November 1991)	8

Document No.	Title	Agenda item
	D. Documents in the non-governmental series	
TD/NGO/34	Document submitted by the International Coalition for Development Action (ICDA) Note by the UNCTAD secretariat	
TD/NGO/35	Document submitted by the International Association of Agricultural Economists (IAAE) Note by the UNCTAD secretariat	
TD/NGO/36	Document submitted by the International Coalition for Development Action (ICDA) Note by the UNCTAD secretariat	
	E. Documents in the information series	
TD/INF.26	Establishment of a list of speakers: note by the UNCTAD secretariat	
	F. Documents in the CRP series	
TD(VIII)/CRP.1 and Add.1-3	Schedule of participation of heads of delegation of ministerial (or equivalent) rank and other personalities, at the eighth session of the Conference	
TD(VIII)/CRP.2 and Addenda	Substantive preparations for the eighth session of the United Nations Conference on Trade and Development: texts emanating from Working Group I and Working Group II	8
TD(VIII)/CRP.3	Review of the calendar of meetings: provisional calendar of meetings until the thirty-ninth session of the Trade and Development Board	
	G. Documents in the miscellaneous series	
TD(VIII)/Misc.1/ Rev.3	Revised provisional list of participants	
TD(VIII)/Misc.2/ Rev.1	UNCTAD VIII - Tentative schedule for the week 10-14 February 1992	
TD(VIII)/Misc.3	Checklist of documents by provisional agenda item	
TD(VIII)/Misc.4	A new partnership for development: The Cartagena Commitment	8
TD(VIII)/Misc.5	Other business	9

Document No.	Title	Agenda item
	H. Non-Conference documents of direct relevance to the eighth session of the Conference	
TD/CODE TOT/57	Further consultations on a draft international code of conduct on the transfer of technology: report of the Secretary-General of UNCTAD Note by the UNCTAD secretariat	8
TD/B(S-XVII)/ CRP.1	Nordic contribution to the discussion on the revitalization of UNCTAD (Text circulated to the Trade and Development Board at the first part of its seventeenth special session at the request of the delegations of Denmark, Finland, Norway and Sweden)	8
TD/B(S-XVII)/ CRP.3	UNCTAD VIII: Australia's approach to institutional issues and the role of UNCTAD (Text circulated to the Trade and Development Board at the first part of its seventeenth special session at the request of the Permanent Representative of Australia)	8
TD/B(S-XVII)/ Misc.3	Summary of the informal exchanges of the Trade and Development Board on the outcome of the "Encounters" organized in preparation for UNCTAD VIII (Geneva, 4-5 December 1991) Prepared by the UNCTAD secretariat	8

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[a] United Nations publication, Sales No. E.91.II.D.17.

[b] United Nations publication, Sales No. E.92.II.D.3.
